

**AN EXPLORATION OF HOW GENERATION Y DEMOGRAPHICS AND POINT OF
SALE MARKETING METHODS AFFECT GENERATION Y'S PURCHASING
DECISIONS IN BARS**

by

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Abstract

Alcoholic beverages and on premise alcoholic beverage retailers have become important to the food and beverage industry in the past three millennia. On premise consumption of alcoholic beverages is necessary for income in bars which makes it crucial for alcoholic beverage producers and retailers to identify methods to increase sales and consumption of their products. One method used by retailers and producers is to market their product at the point of sale (POS). However, the effectiveness of various POS marketing methods can vary depending on the demographics of the consumer cohort being targeted.

The Generation Y cohort is reaching legal drinking age and is quickly becoming the majority of customers patronizing bars. Because many members of Generation Y are new to the drinking and bar scene, point of sale marketing may be an effective method of introducing Generation Y to high profit beverages. Currently, 33% of all alcohol beverage marketing expenditures target customers at the point of sale. Therefore, the purpose of this study was to investigate how components of on-premise marketing methods, along with demographics, influence Generation Y's purchasing decisions in bars.

The sample was 216 members of Generation Y from across the country. Instrument development included a review of literature, three focus groups, a pilot study and a review by three industry experts. The final survey was distributed nationwide by Zoomerang.com. T-tests, ANOVA, factor analysis, and regression were used for data analysis.

Results indicated that respondents patronized local bars and usually once a week, they drank regular beer, and spent an average of \$23 per outing. Males, non-whites, and those who patronize bars on a weekly basis were significantly more likely to purchase alcoholic beverages based on POS logoed items at a bar. However, most respondents indicated that POS logoed items had no impact on their decisions and that assurance marketing was more important. Future studies need to be conducted focusing on either assurance marketing or logoed items. Also, demographic specific studies could be useful for local bars.

Table of Contents

List of Figures	vii
List of Tables	viii
Acknowledgements	ix
Dedication	x
Chapter 1 - Introduction	1
Alcoholic Beverages in the United States	1
Justification	3
Purpose	4
Research Questions	4
Limitations	5
Definition of Terminology	6
References	8
Chapter 2 - Review of Literature	10
Definition of Alcoholic Beverages	10
History of Alcohol	11
Wine	11
Beer	14
Spirits	16
Vodka	17
Gin	18
Rum	18
Tequila	20
Scotch Whisky	20
North American Whiskey	21
Brandy	23
Liqueurs and Cordials	24
Trends in Alcoholic Beverages	24
Marketing and Advertising of Alcoholic Beverages	27

Marketing Mix	27
Point of Sale Advertising	28
Generation Y	31
Marketing Alcoholic Beverages in Bars to Generation Y	34
References	38
Chapter 3 - Methodology	45
Introduction	45
Population and Sample	46
Instrument Development	46
Focus Groups	47
Focus Group Responses	48
Pilot Study	50
Final Questionnaire	50
Data Collection Procedures	51
Research Compliance	52
Data Analysis	52
References	53
Introduction	54
Methodology	61
Sample	61
Instrument Development	62
Data Collection	63
Statistical Analysis	63
Results	64
Demographic Results	64
Patronization Activity	64
POS Likelihood to Persuade Purchasing vs. Noticing	68
Factor Analysis	70
Alcoholic Beverage Factor	70
Persuasion Factor	72
POS Persuasion and Demographics	73

POS Persuasion and Intent to Purchase	74
Discussion, Conclusions, and Recommendations.....	75
Discussion.....	75
Conclusions and Recommendations	77
Limitations of the Study	79
Future Research	80
References.....	81
Chapter 5 – Summary and Conclusions.....	86
Summary of Study	86
Summary of Major Findings.....	87
Research question 1: What role do components of promotional programs play in persuading Generation Y’s intent to purchase alcoholic beverages?.....	87
Research question 2: Does type of bar play a role in the persuasiveness of POS materials and methods?	87
Research question 3: Does a customer’s gender play a role in the persuasiveness of POS materials and methods?.....	87
Research question 4: Does a customer’s frequency of bar visits play a role in the persuasiveness of POS materials and methods?	87
Research question 5: Does a customer’s ethnicity play a role in the persuasiveness of POS materials and methods?	88
Research question 6: Does region of the country play a role in the persuasiveness of POS materials and methods?.....	88
Study Limitations.....	88
Future Research	89
Conclusions.....	89
References.....	92
Appendix A - Pilot Test Survey.....	93
Appendix A -	94
Appendix B - Final Survey Instrument.....	104
Appendix C - IRB Approval.....	117

List of Figures

Figure 3.1: Study Flow Chart	45
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List of Tables

Table 2.1: Promotional Alcohol Expenditures.....	35
Table 3.1: Focus Group Interview Questions	47
Table 3.2: Focus Group Responses.....	49
Table 4.1: Demographic Information of the Sample (N=216)	65
Table 4.2: Generation Y Bar Patronization Activity (N=216).....	66
Table 4.3: Likelihood to Purchase Specific Alcoholic Beverages (N=216).....	67
Table 4.4: Variables That Affect Generation Y's Purchasing Decisions in Bars (N=216)	69
Table 4.5: POS Marketing Methods Most Likely to Persuade Patrons to Purchase Alcoholic Beverages vs. Patrons Noticing POS Marketing Methods (N=216).....	70
Table 4.6: Wine, Beer, Spirit, Cocktail Regression Table with Intent to Purchase an Alcoholic Beverage Because of Point of Sale Marketing	71
Table 4.7: Logoed Items and Assurance Based POS Marketing Component Matrix	72
Table 4.8: T-test and ANOVA results	74
Table 4.9: Linear Regression of POS Methods and Persuade to Purchase an Alcoholic Beverage at a Bar Due to POS Methods.....	75

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Dedication

I would like to dedicate this work to my parents, Mary and John Hastings, my brother John, and my cat and dog Buddy and Ruble. You have shown me that through hard work and diligence anything can be accomplished. Thanks you for your love and support.

Chapter 1 - Introduction

Alcoholic Beverages in the United States

Various forms of alcoholic beverages have been consumed by humans for the past 9,000 years (McGovern, 2010) and have played an integral role in the development of modern social relationships, religion, and the cultivation of urban civilization. There are few regions of the world that do not produce some type of alcoholic beverage (Tannahill, 1973). Alcoholic beverages have been regarded as both a godsend and a curse depending on the ethnic, religious, and cultural climate. Nevertheless, alcoholic beverages have become an accepted part of modern life in the United States, and a significant source of income within the food and beverage industry (Blue, 2004).

Acceptance and approval of alcoholic beverage consumption in the United States has experienced a unique ebb and flow since the establishment of the first settlements in the early 1600's, but is now accepted by a majority of all age groups (Katsigris & Thomas, 2007). However, generational anomalies differentiate how and where each age group prefers to consume alcoholic beverages. How each generation is socialized to alcoholic beverages, where they prefer to consume alcoholic beverages, and what drives their alcoholic beverage purchasing decisions are important issues for industry managers to know in order to meet their customers' needs, successfully market to their patrons, and in turn be as profitable as possible (Brager & Greco, 2011).

The marketing mix described by McCarthy (1975) consists of product, price, place, and promotion. In the alcoholic beverage industry, companies experiment with marketing strategies regularly. Marketers of alcoholic beverage producers hone in on the relationship between

promotion, price, and product and experiment with how these variables can be manipulated by on-premise establishments to maximize sales (Todd, 2004).

Marketing expenditures at the point of sale to help others promote alcohol products is one of the strategies alcoholic beverage producers rely most on. This spending accounted for 32% of all advertising funds spent by alcoholic beverage producers in 2008, totaling \$1.06 billion. These marketing expenditures were for temporary signs, display racks, table tents, coasters, napkins, neon signs, branded furniture, lighting, mirrors, and product tastings within bars (U.S. Federal Trade Commission, 2008). It is estimated between 70% (Moore, 2005) and 75% of purchasing decisions are made at the point of sale (Aster, 2005). Furthermore, Chaney (2000) found that individuals purchasing alcohol who have little knowledge about the products are more likely to take POS advertisement into consideration when making their purchasing decision. This finding is especially significant because young Generation Y members are becoming of legal drinking age and may be susceptible to influence from POS materials.

Generation Y is a large segment of the United States population believed to number about 65 million (U.S. Census Bureau, 2012). Various known as the Echo Boom, Millennials, the Baby Busters, or Generation Next, this group is best described as confident, self-reliant, ambitious, keen to face challenges, and generally tolerant of others, thus positively welcoming diversity (Martin & Tulgan, 2001). This generation is technologically advanced, adaptable to change, and seeks challenging and motivating tasks (Temple, 2007). They are flexible but slightly impatient and expect immediate feedback due to extensive use of high-speed technology (Temple). This generation also places a great deal of importance on the hedonic aspect experiences and products, and on the quality of their social life (Brager & Greco, 2011). Furthermore, Generation Y is the youngest generation of legal drinking age, and is still in a stage

where members need to be introduced and guided to new products to discover and determine what they actually enjoy (Mintel, 2012). Therefore, on-premise POS marketing methods that can help expose Generation Y to new and interesting alcoholic beverages create a win-win opportunity for both the Generation Y patron and bar owners. However, it is important to determine which aspects of beverage promotional programs in bars are the most effective so that neither party's time or resources is wasted.

Justification

Members of Generation Y have a tendency to experiment with new things, which indicates they are versatile and open to enjoying a variety of alcoholic beverages. While the majority of Generation Y prefers beer as their alcoholic beverage of choice, they purchase relatively more wine and spirits away from home than previous generations did at a comparable age (Brager & Greco, 2011). Brager and Greco's (2011) research shows that as consumers age, their lifestyle transitions typically result in a relative shift from beer to wine and spirits. Given that millennial preferences among beer, wine, and spirits diverge from prior generations, future consumption preferences also become less predictable. Additionally, Generation Y represents the demographic segment that spends the most money at bars, as well as the cohort that has the highest frequency of bar patronization (Mintel, 2012). Therefore, it is important for researchers to understand what aspects of on-premise POS methods influence Generation Y's purchasing decisions when patronizing bars. A better understanding of these interactions will assist bar owners and managers in developing POS marketing and training programs that will maximize potential revenue from the Generation Y alcoholic beverage consumer.

Purpose

The purpose of this study was to investigate what Generation Y demographics and components of on-premise POS marketing programs influence their purchasing behavior at bars.

Research Questions

1. What role do components of promotional programs play in persuading Generation Y's intent to purchase alcoholic beverages?
2. Does type of bar play a role in the persuasiveness of POS materials and methods?
3. Does a customer's gender play a role in the persuasiveness of POS materials and methods?
4. Does a customer's frequency of bar visits play a role in the persuasiveness of POS materials and methods?
5. Does a customer's ethnicity play a role in the persuasiveness of POS materials and methods?
6. Does region of the country play a role in the persuasiveness of POS materials and methods?

Limitations

In interpreting the results of this study, certain limitations are acknowledged. First, although the results of this study can be considered generalizable due to the representativeness of the population geographically, the majority of the respondents were Caucasian, over 28, and well educated. Second, this study used a self-report questionnaire to obtain data. The self-report nature of this study may have caused respondents to bias data because they may have felt some sort of embarrassment for being persuaded by simple and obvious marketing tactics. Third, the instrument for the present study was tested with a sample that was limited to those who were members of Zoomerang.com and had access to a computer. Additional research may be needed to focus on participants who are not members of a marketing research company in order to refute or support these findings. Finally, none of the POS variables had high means, and even though there was statistical significance the mean levels make it difficult to arrive at an indisputable interpretation of how/what POS marketing should be used in every bar.

Definition of Terminology

The following terms describe definitions specific to the proposed study.

Alcoholic Beverage: Alcohol will be used to describe the ethanol found in fermented and distilled beverages. Additionally, the term alcoholic beverage (AB) will be used to describe beverages with at least .5% ethanol by volume.

Generation Y: This is the generation born between 1978-1994. They are children of the baby boomers and will represent a larger proportion of the population as they age. This generation is technologically advanced, adaptable to change, and seek challenging and motivating tasks. They are flexible but slightly impatient and expect immediate feedback due to their use of extensive high-speed technology (Temple, 2007). For the purposes of this thesis the term Generation Y will only refer to individuals born between 1978-1991. The limitation of 1978-1991 is to insure the sample frame consists exclusively of individuals who are legally permitted to consume alcoholic beverages.

On-premise Sales: Sales of alcoholic beverages to be consumed on the same premises where the sale takes place. Bars and restaurants are examples of on-premise retailers (Katsgris & Thomas, 2007)

Promotional Programs Focusing on Beverages: Promotion is an attempt to influence. Promotional activities are designed to inform, persuade, or remind the market of the firm and its products and ultimately to influence consumers' feelings, beliefs, and behavior. A successful promotional program should include all the communication tools that can deliver a message to a target audience. A promotion program can include five components: advertising, sales promotion, public relations, sales force, and direct marketing (Uva, 2000).

Forms of promotional programs focusing on alcoholic beverages include sponsorship in professional sports, product placement in film and television shows, traditional billboard and print campaigns, and point of sale campaigns (Novak, 2004). This thesis will focus on point of sale advertisement campaigns as well as other factors that influence alcoholic beverage purchasing decisions at bars.

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Chapter 2 - Review of Literature

This chapter summarizes current literature relevant to the objectives of the study. Concepts pertinent to the design of the study and analysis of the results are also reviewed. The purpose of the present study is to investigate how promotional programs in bars affect Generation Y's intent to purchase alcoholic beverages. This review of literature discusses the definition of alcoholic beverages, history of alcoholic beverages, types of beverages containing alcohol, trends in alcoholic beverages, marketing of alcoholic beverages, Generation Y, and marketing alcohol to Generation Y within bars.

Definition of Alcoholic Beverages

The International Union of Pure and Applied Chemistry defines alcohol as a compound in which a hydroxyl group is attached to a saturated carbon atom (IUPAC, 2012). However, in modern language the term alcohol has developed into an acceptable idiom to describe ethyl alcohol, also known as ethanol, contained in fermented and distilled beverages.

Fermentation is the process responsible for creating the ethyl alcohol in all alcoholic beverages. The process of fermentation is a chemical transformation that is the byproduct of yeast feeding on organic slurry known as mash or must. Once the yeast organisms have spent a significant period of time feeding, the organic slurry becomes a malty liquid referred to as wort (Ensminger, 1994). The feeding of the yeast on mash or must results in the production of ethanol (Berg, Tymoczko, & Stryer, 2010). The organic slurry recipe, as well as how a given wort is filtered or distilled then distinguishes the type of alcoholic beverage the wort will yield (Tannahill, 1973). For the sake of this thesis, the term alcohol will be used to describe the

ethanol found in fermented and distilled beverages. Additionally, the term alcoholic beverage (AB) will be used to describe beverages with at least .5% ethanol by volume.

History of Alcohol

The earliest evidence of alcoholic beverages being produced was unearthed at the excavation site of Jiahu Lake in the Henan province of modern day China. The vessels discovered were believed to serve the purpose of holding wine consisting of fermented rice, honey, and fruit. These vessels have been carbon dated to around 7000 B.C. (McGovern, 2003). Over the course of history, the practices of fermentation and distillation spread to different geographic zones resulting in the creation of new AB due to the reality that the producers of alcoholic beverages were left to craft their own recipes based on the ingredients available in their region. The spread of AB manufacturing not only led to new flavors, but also resulted in the creation of different AB categories. Currently, the three universally accepted categories of AB are wine, beer, and spirits.

Wine

As stated before, the Chinese were the first to produce a fermented beverage that archeologists generally refer to as wine, but this is only because there is no modern equivalent of the first AB (McGovern, 2003). Today, the term wine is used to describe an AB derived from fermented fruit juice, usually grapes (Britannica Encyclopedia, 2008). However, the first AB derived from fermented fruit juice was produced and consumed around 5000 to 6000 B.C. These early wines were produced from the juice of dates and other tree fruits, and were produced in the regions of Persia and the Middle East (Kolpan, Smith, & Weiss, 2002). Wine made from grapes has been scientifically proven to exist as early as 5400 B.C. (McGovern, Hartung, Badler,

Glusker, & Exner, 1997), conversely most historians argue that the culture of producing wine exclusively from grapes did not take hold until around 3000 B.C.

The Egyptian, Greeks, and other early inhabitants of the Mediterranean Fertile Crescent are credited with cultivating the first grapevines specifically for the production of wine, and the Romans are recognized as the community responsible for taking wine development and production to new heights by 1000 B.C. Accordingly, as the Romans continued to expand their empire from Italy into France, Portugal, and modern day Germany, grapes were introduced into these new regions (Henderson & Rex, 2007). The introduction of the Roman grape species *Vitis vinifera* which means “to bear or carry wine” (Kolpan, Smith, & Weiss, 2002) is responsible for the creation of the modern day French wine regions of Burgundy, Bordeaux, Trier, Champagne, and along the Rhine and Moselle Rivers. The death of Marcus Aurelius in A.D. 180 marked the end of the Roman Empire and resulted in the loss of much of the northern empire to other Gothic tribes of Europe. These changes led to the ushering in of the Late Antiquity (235-650 A.D.) and later the Middle Ages (Henderson & Rex).

The nomenclature Middle Ages is used to describe European history from the fifth to fifteenth century A.D. (Adams, 2001). This period of history produced significant changes in how humans produced AB, as well as the roles AB began to play in dietary habits. During the Middle Ages citizens of metropolitan areas became increasingly reliant on AB as a form of sustenance due to poor sanitary conditions and lack of potable water (Tannahill, 1973). Moreover, the Middle Ages resulted in the spread of religion, which in turn led to the development of monasteries where monks became proficient in the art of enology. However, the Crusades as well as severe fighting within many of these regions resulted in the inability of many wine-growing regions to produce wine bearing grapes on a large scale (Kladstrup & Kladstrup,

2002). Due to the lack of grapes many monks began to grow their own grapes in an effort to supply the wine needed for religious services (Henderson & Rex, 2007). During the late 17th and early 18th century A.D. a Benedictine monk by the name of Dom Perignon discovered the ability to make sparkling wine and also developed the use of cork bottle stoppers. The discovery of cork stoppers allowed French wine to be exported for sale and consumption in distant markets including Africa, Asia, and the New World (Koplin, Smith, & Weiss, 2007).

Many historians focusing on food and beverage use the term “Golden Age of Wine” to describe the nineteenth century. It was during the nineteenth century that winemaking began to be studied in chemical laboratories. This process resulted in winemaking becoming less of an art and more of a science (Henderson & Rex, 2007). During the later half of the eighteenth century the phylloxera epidemic devastated the majority of the vineyards in Europe (Vine, 1997). The epidemic forced many wine producers to relocate to North and South America in order to continue production. It was not until the wine producer imported rootstock from the New World back to Europe that the epidemic was overcome. However, many producers chose to stay and continue production in North and South America, which led to the development of many United States and South American wine growing regions (Koplin, Smith, & Weiss, 2007).

The newly relocated winemakers had many setbacks as the twentieth century came into being. Both World Wars, as well as prohibition resulted in many setbacks for the recently established wineries. The onset of prohibition changed the Americans’ taste palate due to their assimilation of homemade wine, which posed a challenge to wine makers once it was repealed. The repeal of prohibition further complicated the wine production process because each state was left to craft their own laws about AB. However, American winemakers received a boost at the conclusion of World War II when servicemen began to return home with a newly acquired

interest in wine. Sales of both foreign and domestic wine surged for the next twenty years (Kladstrup & Kladstrup, 2002) until the market began to demand cheaper wines and the “fighting” varietals i.e. Chardonnay, Cabernet Sauvignon, and Merlot began to become more standardized and homogenized. However, over the past ten to fifteen years there has been a surge of niche and craft wines flooding the marketplace in an attempt to entice consumers to set themselves apart from the crowd by drinking regional and craft wines (Henderson & Rex, 2007).

Experts agree that the wine industry will likely become more technologically centered over the next twenty years. Even though wine consumption is on a decline, there is still growing demand for premium wine in North America, Europe, and the Far East. Whether or not new generations are accepting of wine in general, it is certain that wine will undoubtedly remain an integral part in dining (Vine, 1997).

Beer

Beer is a fermented AB made from water, malted grain, hops, and yeast (Schmid, 2008). It is not known if wine or beer was produced first (Michel, McGovern, & Badler, 1993), but beer production and consumption dates back to at least the fifth century B.C. Additionally, early civilizations in Mesopotamia, Egypt, China, Rome, Greece, Assyria, and Peru mention beer in their written histories (Mirsky, 2007). It is unclear if beer or barley bread came first, but it is universally agreed that both were a substantial part of early people’s daily diet. Primitive civilizations derived much of their body fuel from the carbohydrates and alcohol in beer. Beer was thought to be so important that it is recorded in the bible that Noah even took it on the ark. The two basic types of beer are ale and lagers. The difference being that ales are made with top-fermented yeast while lagers with bottom fermented. Additionally, ales have hops added in order to add bitterness to the beer (Schmid). Historians agree that the beer consumed by ancient

civilizations had to be primitive ale because were not readily available until the very end of the Middle Ages.

Beer fermentation remained hit or miss until around 1500 B.C. when pure yeast became available. The first brewers were mainly women who opened their homes to patrons and sold their ale for consumption on location. These alehouses mentioned in The Code of Hammurabi, dated to just before 1750 B.C., are the first record of on-premise tavern or bar (Hammurabi, 1750 B.C.). Knowledge of beer production continued to be developed and refined amongst the Persian, Greek, and Egyptian civilizations until the migration of the Latin people into Italy and the subsequent establishment of Rome and the Roman Empire. Beer was consumed in ancient Rome, however it was soon replaced by wine due to the advancement of viniculture and the Italian topography that was conducive to the production of high quality wine grapes (Giacosa, 1994).

The expansion of the Roman Empire resulted in newly conquered territories' living a more urban existence. The assimilation of rural peoples to an urban Roman lifestyle created several problems for the early metropolitan communities. One such problem was the availability of potable water. During the Roman Empire and through the Middle Ages there was no municipal sewage system, which quickly resulted in the contamination of community water sources. The need for a sustaining potable beverage that could be easily produced in non-grape and fruit producing areas created resurgence in beer manufacturing and consumption. Production of beer from grain as well as from honey were vital to the existence of metropolitan communities in Poland, Germany, The Netherlands, and England, and was probably why these nationalities all acquired a reputation for heavy drinking (Tannahill, 1973).

By 1300 A.D., beer had become the national drink of England and remained a staple of every meal, including breakfast, until coffee and tea became popular in the 1600's (Schmid, 2008). The 13th through 17th century saw an increase in global exploration, a trend in which beer was a critical component. Many expeditions relied on beer as the primary means of hydration because of the lack of fresh water on lengthy voyages (Tannahill, 1973). Most importantly, beer is responsible for the survival of the passengers on the Mayflower. The first pilgrims relied on beer as a means of survival after a navigation error put them off course from their intended landing point. Beer remained an important part of early U.S. history, many of the founding fathers and early revolutionary era generals owned breweries (Smith, 1995).

The onset of the industrial revolution changed the global perspective of how beer is manufactured. The industrial revolution transformed beer making from a mostly mom and pop setting into a large scale industry in which a few primary conglomerates control a large majority of the production. In recent years, many Americans have been disenchanted by the large beer companies and have begun to experiment with local beer produced at small "microbreweries." These newly popularized microbreweries tend to specialize in local flavors and have a limited distribution. Experimentation and loyalty to these regional beers have allowed consumers to create a sense of identity tied to the region of production (Kallenberger, 2007).

Spirits

A spirit or liquor is an AB created from the distillation of wort. Most spirits range from 35% to 95% ethanol by volume. Spirits are the youngest of all AB, and were created sometime during the Middle Ages (Forbes, 1970).

Distillation is the process of extracting different liquids from a single mixture. The process takes advantage of different boiling points and dates to around 1000 B.C. The Egyptians

used the first stills to create perfumes from flowers and botanicals. However, it was not until the crusaders returned to Europe during the Middle Ages that the process was applied to beer and wine in an effort to extract a concentrated ethanol solution. Like beer and wine, spirits vary by region based on available ingredients and regional taste preferences. Furthermore, spirits are highly susceptible to becoming regionalized due to their ability to be distilled from any fermented form of grain, fruit, or vegetable (Tannahill, 1973).

Vodka

Vodka is a spirit distilled from a fermented mash, water, and ethyl alcohol. Vodka is unique in that it can be distilled from any raw carbohydrate, and is crafted with the purpose of being completely odorless and tasteless. In an attempt to obtain the highest purity, many vodkas undergo multiple distillations as well as charcoal filtration screenings to achieve the desired purity and smoothness. However, no vodka is ever completely free of trace elements, and it is these particles that give each vodka brand its unique character.

Vodka originated as an eastern European beverage, but quickly moved to Poland and Russia around the 13th century where it quickly gained a large following. Vodka remains the primary spirit consumed by inhabitants of Russia, Poland, and other eastern European countries. Traditionally, vodka was served either straight from the bottle or over ice and was intended to be sipped or slugged. However, the onset of flavored vodkas along with the surplus of Smirnoff vodka in the 1940's created a bar culture where vodka became prevalent in mixed cocktails. The onset of these mixed cocktails has led vodka sales to surge (Blue, 2004). In 2008, vodka was the number one selling spirit category in the United States, accounting for 28.9% of all spirits sold (Distilled Spirits Council of the United States, 2009).

Gin

Gin is a classic spirit made from combining flavorless grain based ethanol with a botanical mixture. Gin has the reputation of being quintessentially British, but was actually invented by Dr. Sylvius of Holland in 1650 as a medicinal tonic, and was referred to as genever. The English discovery of gin was the result of military forays into the Netherlands, and by 1690 port cities around Bristol had begun to distill and drink their take on the Dutch AB called British dry gin. Eventually, the Germans began making their own version of gin, which resulted in a third type of gin that is referred to as Steinhäger or German gin. In modern times, differentiation of the three types of gin comes not from where the gin is produced, but rather when and how the base ethanol is flavored and combined with a botanical mixture (Blue, 2004).

Gin producers use their own recipe of botanicals to flavor their gin, but the most frequently used are juniper berries and coriander seed. Depending on the category of gin, the botanicals are added to the base ethanol either before or after distillation. Unlike aquavit, the flavor of gin makes it a popular AB for mixing into cocktails. Although, because of its heaviness Dutch gin is often sipped cold and straight. Many modern mixologists consider gin to be at the core of the modern cocktail movement due to the fact that it is the primary ingredient to the ever-enduring martini (Blue, 2004). Although gin is well known and popular, it only accounted for 6% of all distilled spirits sold in the United States during 2008 (Distilled Spirits Council of the United States, 2009).

Rum

Rum is a distilled spirit made from fresh sugarcane juice, cane syrup, or molasses, which is the by-product of processing raw sugarcane into refined sugar. Modern day rum was first produced around 1660, and consumption and production became a widespread practice

throughout the Caribbean and Central America. The given time period, along with the location led rum to be associated with pirates, beaches, and fruity cocktails. The three basic accepted categories of rum are light, aged, and spiced. Aged rum is typically reserved for sipping while light and spiced rum typically serve as base ingredients for cocktails (Blue, 2004).

All three categories are made through the same distillation process, but handling after distillation determines what style they are. White rum is generally short aged in stainless steel tanks or un-charred oak barrels. This treatment leaves light rum without color, and results in a simple and sweet spirit that is commonly used as the base ingredient for rum cocktails. Fruit flavored rums are relatively new, and are a variation of white rum. Combining natural and artificial flavors with white rum creates flavored rums. The original and most established flavored rum is spiced rum. Spiced rums age along with recipe variations of this rum has lead this flavor to become a category independent from other flavored rums. Spiced rum is created by soaking light rum in stainless steel vats that contain a mixture of vanilla bean, cinnamon stick, anise, cloves, allspice, orange zest, and other spices chosen by the producer. Spiced rum is commonly used as the base ingredient in rum cocktails, but premium brands can be sipped at room temperature or over ice. Aged rum is the darkest and has a deep oak flavor. Aged rum is typically held in used charred bourbon barrels, and allowed to age between three and 21 years before it is bottled and distributed (Blue, 2004). The versatility of spiced and light rum, along with the sophistication of aged rum make rum a major force in the spirit industry. In 2008, rum was the second best selling individual spirit category accounting for 13.1% of spirit sales in the United States (Distilled Spirits Council of the United States, 2009).

Tequila

Tequila is a Mexican spirit derived from the distillation of fermented blue agave nectar. Unlike the previously discussed spirits, tequila must come from a specific geographic region within Mexico to be called tequila. Don Pedro Sanchez Tangle invented tequila during 1600 in the Ticuila Indian town of Tequila. The beverage rapidly gained a loyal following, and by 1636 rules governing the production and labeling of tequila had been established by the government. The region allowed to produce tequila consists of an area around the city of Tequila in the Mexican state of Jalisco. All other agave-based spirits are labeled mescal in accordance with Mexican law (Blue, 2004).

The three common varieties of tequila are plata, respasado, and añejo. Plata tequila is usually not aged, but is blended with distilled water to achieve the desired proof, then bottled. Respasado and añejo tequila are typically aged in either American or French oak barrels. The barrels may or may not be charred on the inside depending on the producers preference. Añejo and respasado tequilas are sipped at room temperature, while plata tequila serves as the base ingredient for tequila cocktails such as the margarita. Additionally, chilled tequila is often consumed as shots accompanied with salt and a lime wedge (Blue, 2004). The pigeonholing of tequila into a few cocktails and shots hinders the category from dominating the spirit market. In 2008, tequila accounted for 5.6% of spirit sales in the United States (Distilled Spirits Council of the United States, 2009).

Scotch Whisky

Scotch whisky, which is commonly referred to simply as scotch, is a distilled spirit that is produced in Scotland. The two basic types of scotch are malt whisky, which is distilled from malted barley, and grain whisky, which is made from raw grain such as corn or wheat. Scotch is

one of the oldest distilled spirits in the world, and dates back to around 1350. Scotch is often regarded as one of the most exclusive and prestigious spirits, and therefore is rarely consumed in any other means besides from the bottle at room temperature (Blue, 2004). The rarest and most expensive scotches are labeled “single malt,” and consist of non-blended whisky made from premium grains (Broom, 1998). The highbrow persona associated with scotch, along with its high price tag and low volume of production limit the market share potential of scotch. In 2008 Scotch whisky accounted for 4.5% of the distilled spirits sold in the United States (Distilled Spirits Council of the United States, 2009).

North American Whiskey

Recognized alcoholic beverage categories that fall under the North American whisky heading include bourbon, Tennessee whisky, and Canadian blended whisky. As the given titles suggest, the names and production styles of each of the aforementioned spirit depend heavily on where in North America the spirit was developed. North American Whisky is a product of early European settlers improvising traditional wort recipes and distillation means that they had originated in their home countries. These whiskies are very versatile and are commonly consumed by themselves, in cocktails, and as shots (Blue, 2004).

Bourbon is the oldest of all North American spirits, and is said to be the only true North American spirit due to many of the other North American whiskeys being produced by immigrants whose production methods mirrored the methods used in Europe. Bourbon production began in the early 1700’s, and was officially recognized by the U.S. congress in 1964 as a “distinctive product of the United States.” Bourbon is unique in that its mash must be composed of at least 51% corn and aged for a minimum of two years in new charred American white oak barrels. Additionally, no artificial coloring may be added to the spirit, as its color

must be the result of the interaction between the wood and distilled liquid. Bourbon derives its name from Bourbon County Kentucky. However, there are no existing licensed distilleries operating in the county. Notable bourbon brands include Jim Beam, Wild Turkey, and Makers Mark (Blue, 2004).

Tennessee whiskey is produced from cereal grains, and was popularized by the Scottish-Irish community that settled there in the early 1800's. Tennessee whiskey is unique because of the charcoal mellowing it undergoes before being aged in charred barrels. The charcoal mellowing process allows the clear ethanol to seep through 12 feet of maple charcoal, and finally a thick piece of white wool before being placed in barrels for aging. The charcoal mellowing process not only filters particulate from the spirit, but also imparts a unique taste that is synonymous with Tennessee whisky. Tennessee whisky was, and still is, a highly renowned spirit, but prohibition had a major impact on the amount of distilleries producing the AB. Before prohibition there were some 700 distilleries producing whisky in Tennessee (Blue, 2004), but currently there are only four distilleries producing Tennessee whiskey (Grantham, 2012).

Hiram Walker is a New England born entrepreneur who migrated to Canada shortly before prohibition in Michigan to start his own scotch-style distillery. Walker's initial proposition was to create a blended spirit that was smoother and better rounded than the existing American bourbon and Tennessee whiskies. Walker's liquor quickly grew in popularity, which resulted in the community around his distillery being named Walkerville. Walker not only oversaw the distillation of his AB, but also farmed the grains used for its production. However, the complete implementation of prohibition in the United States impeded the widespread distribution of blended Canadian whisky until 1933. Nevertheless, Canadian blended whisky has become an important part of the essential bar configuration. Other notable Canadian blended

brands besides Hiram Walker's Canadian Club include Crown Royal and Seagram's prior to the company's breakup (Blue, 2004).

The compilation of all North American whiskies results in the combination of a vast number of brands representing a large portion of the spirits sold in the United States. Combined, the Canadian, Bourbon, and Tennessee whiskey categories represent 16.9% of the spirits sold in the United States during 2008 (Distilled Spirits Council of the United States, 2009).

Brandy

Brandy is a spirit that is produced by the distillation of fruit wine. Grapes are the most common fruit used in brandy production, although it is not uncommon to see any high-sugar fruits used for its production. Brandy derived its name from the Dutch word brandewijn and the German word branntwein with each term translating to burnt wine. One of the better-known and more expensive brandies is cognac. To be labeled cognac the brandy must be produced in the cognac region of France, and aged for a minimum of two years before it can be sold to the public. Brandy is often used as the base ingredient in cocktails or served over ice, but it is highly uncommon to see cognac served in any manner besides neat and in a snifter glass (Blue, 2004).

Brandy comes out of the still as a clear liquid that possesses both sweet and fruity qualities. The aging of brandy was discovered by accident while the Spanish war of succession was underway. During the war, brandy trade virtually came to a halt, and the majority of filled brandy casks sat full in storage for the duration of the 12-year war. Once the war was complete, distribution of the unintentionally aged brandy began. Consumers were overjoyed when they tasted a new and improved flavor that was imparted from the unintentional aging of the brandy, and their pallets became accustomed to the brandy aging process. Producers of cognac brandy continue to use the long barrel aging process to this day (Blue, 2004). Like Scotch whisky,

brandy and cognac suffer from a highbrow image, and limited volume of production. As a result brandy and cognac only represented 5.7 percent of all distilled spirits sold in the United States during 2008 (Distilled Spirits Council of the United States, 2009).

Liqueurs and Cordials

Liqueurs and cordials are categories of AB that start with a base ethanol and have color and flavors added. Liqueurs and cordials are believed to be some of the oldest spirits in existence, and are produced in all regions of the world (Blue, 2004). The category of liqueurs and cordials encompasses a large amount of spirit brands, and an even larger swath of flavor profiles. Liqueurs and cordials are popular, and have a wide variety of uses in cocktail creation, but due to the vague and all encompassing nature of this category their sales percentage has the perception of being inflated. In 2008, the liqueur and cordial category accounted for 11.6% of spirits sold in the United States (Distilled Spirits Council of the United States, 2009).

Trends in Alcoholic Beverages

The World Health Organization (WHO) is a body within the United Nations responsible for following and tracking trends that impact the health in member countries. One of the annual reports the WHO releases is the Global Status Report on Alcohol and Health. According to the most current report, the adult (15+) pure ethanol per capita consumption rate for the world is at 4.3-4.6 liters, while the United States totaled 9.44. Of that 53%, is consumed as beer, 31% as spirits, and 16% as wine. This hierarchy of beer, spirits, and lastly wine has remained constant since 1970 when a clear separation in beer and spirit consumption became evident. Currently, the United States is listed as stable for the robust estimated five-year adult alcohol consumption (WHO, 2011). However, just because the type and overall consumption of ABs has remained

stable there have been considerable changes in the trends of AB consumed at bars and restaurants (Cebrzynski, 2008).

The beverage industry is a unique market, where competition is fierce and staying abreast of trends is one of the essential keys to success (Koepfer, 2008). The National Restaurant Association (2011) places locally produced wine and beer, micro-distilled/artisan spirits, culinary cocktails, food-beer pairings, and onsite barrel-aged drinks as the top five AB trends.

Additionally, gluten free beer, locally produced wine and beer, artisan spirits, and culinary cocktails all fall within the top twenty trends in the food and beverage industry (National Restaurant Association, 2011). Also, market research firms have found that “skinny” and low calorie alcoholic beverages are becoming popular (Mintel, 2012), and traditional/nostalgic cocktails are on the rise. Most industry experts attribute this trend to the popularity of television shows such as “Mad Men” and “Boardwalk Empire” (Hildebrandt, 2012). The onset and acceptance of cocktail culture have resulted in the opening of speakeasy themed establishments in several cities across the United States (Grimes, 2009) which has led to a sophisticated nuance becoming equated with these beverages, especially with the younger adult market (Koepfer, 2008). Additionally, younger adults have become accepting of beer gardens, a trend their parents popularized during the 1970’s. It is expected that the new beer garden trend will lead to a routine of early-afternoon drinking and late night dining (Whiteman, 2011).

While many beverage industry analysts agree that the market for spirits is mature, there is a consensus that additional products such as rice-based liqueur and absinthe could reinvigorate the spirits sector (Agriculture and Agri-Food Canada, 2010). Additionally, ready to drink cocktails and spirits on tap are becoming more prevalent (Andrew Freeman & Co, 2011). These new ready to drink cocktails and spirits on tap allow bar owners and managers the ability to

better control portion size, maintain quality, and mitigate bartender dishonesty while at the same time providing prompt and innovative service to their customers (Crecca, 2011).

Wine has been the most common and accepted alcoholic beverage to pair with food (Tannahill, 1973), but with the uprising of the microbrewery movement it has become widely accepted for beer and food to be paired together on menus (Kallenberger, 2007). Furthermore, bartenders and mixologist in larger cities have begun to introduce a new style of pairing referred to as double hitters, or one-two shots. These new pairings consist of a cocktail or shot and a beer to chase it with (Andrew Freeman & Co, 2011). Additionally, the phenomenon of pairing spirits and liqueurs with energy drinks has spread rapidly across the United States. This sensation has given rise to “Jägerbombs” and “Red Bull and Vodka” being commonplace at most bars. This new trend has led brewing companies to introduce new brands such as Miller Sparks, and Budweiser E, both containing energy drink ingredients such as caffeine (Agriculture and Agri-Food Canada, 2010). However, while energy brews and fruit flavored beers may change the way consumers are introduced to beer, these new drinks will likely have little impact on the 90 billion dollars generated annually by beer producers (Howard, 2008).

Although wine accounts for only 16% (WHO, 2011) of alcohol consumed in the United States, new packaging techniques, the economic crisis, and the perception of wine indicate drinking could become more typical across all age groups (Agriculture and Agri-Food Canada, 2010). Despite the troublesome economic environment, wine sales grew from \$35.3 billion in 2010 to \$37.8 billion in 2011 (Huffstutter, 2011). Although white wine is thought to be more appealing to the masses, red wine is the top seller, with sales that are \$14.8 billion. It is believed that red wine sales have increased over the past decade due to beneficial heart-health claims (Franz, 2005).

A phenomenon known as trading down has been seen in the wine market, as customers who previously bought premium brands purchased mid-priced brands during and after the recession. This shift gave wine the façade of more of an everyman’s drink in the United States, and has helped it lose its former elitist image (Wine and Spirits, 2010). This new image of wine has led many younger customers to embrace wine, and purchase boxed containers that have colorful and fun labels. Overall, “bag-in-box” wines are becoming increasingly popular among Americans. In the past, boxed wine was viewed as a cheap, low-quality alternative to glass bottles, but consumers are now learning the advantages of boxed wine over bottled. Boxed wine is easier to transport, both for the consumer and the producer, cheaper than glass bottles, and reduces the probability of the wine being “corked” or spoiled (O’Brien, Francis, & Osidacz, 2009). Another trend in the wine industry is the use of polyethylene terephthalate (PET) bottles, which are shatterproof. Boxed wines and PET bottles are expected to become widely accepted by consumers as more premium and well-known brands use these types of packaging (Matthews & Vale, 2009).

The alcoholic beverage industry is a competitive, fast paced, and ever changing business. Therefore, it is important for bar operators to stay up to date on beverage trends and to successfully market these trends in their bars.

Marketing and Advertising of Alcoholic Beverages

Marketing Mix

The 4Ps of marketing, or marketing mix, described by McCarthy (1975) is often used in business to describe variables that can be adjusted to best satisfy the customers in a target market. These variables consist of product, price, place, and promotion. First, the product is the

physical product or the service offered to the consumer. Second, price is the reflection of management's consideration such as profit margin and competitor pricing, including discounts. Third, place refers to decisions associated with channels of distribution that acts as a means of reaching the target consumers. Finally, promotion decisions are those that relate to communicating and selling the product to potential customers. These may include advertising, personal selling, media, public relations, and adjustments in price (Novak, 2004). In the alcoholic beverage industry, companies experiment with their marketing strategies regularly. Further attention to promotion and product, specifically, how these two variables can be manipulated by bar managers and owners to create powerful marketing strategies will be beneficial to the entire bar and alcoholic beverage industry.

Point of Sale Advertising

Point of Sale (POS) advertising is designed to target consumers at the place of purchase by drawing attention to the advertised brand. Typically, POS materials are placed alongside the product that is intended for sale, but it is not uncommon to find these materials in alternate forms in a retail establishment (Monaghan, Derevenshy, & Sklar, 2008). In this context, the new role for marketing is to create brand demand, not just brand awareness (Russell, 2008). It is estimated that between 70% (Moore, 2005) and 75% of purchasing decisions are made at the POS, yet as little as 5% of advertising campaign funds are spent on POS materials (Aster, 2005).

Retailers have basically three ways to increase revenues. Sell more per visit to their current customers, increase the shopping frequency of current customers, or obtain more customers. Likewise, marketers' ability to sell additional products depend on increasing awareness of the brand or product, increasing appeal of the brand or product, increasing trial, increasing repeat purchase, and/or increasing the perception of value (Burkey, 2004).

Marketers face the important question of how to optimize media resources allocated to POS with their retail customers' customers. In bars these consumer communication opportunities include: temporary signs, table tents, illuminated signs, logoed furniture, floor decals, logoed glassware and bar equipment, product samplings, menu descriptions, and suggestive selling. Retailers, on the other hand, must evaluate the cost/benefit of changes they undertake to increase sales by accepting suppliers' in-store marketing vs. its potential impact on sales and consumers' perceived atmosphere of the bar (Russell, 2008).

As this cost/benefit relationship is considered it is important to consider the distributors viewpoint of the POS they are funding (Russell, 2008). While most alcoholic beverage producers acknowledge the importance of POS, few alcoholic beverage producers have developed explicit strategies for differentiating their products at bars or a process for gathering the insights needed to execute these strategies. The critical issue is planning. The most successful companies take a proactive approach to POS research, while the others try to scramble to find time and resources at the last minute, and inevitably compromise the value of their POS research (Wheelwright & Clark, 1992).

It is estimated that the alcohol industry spends more than \$3.1 billion annually to market its products (U.S. Federal Trade Commission, 2008). In recent years, alcohol marketing has moved away from traditional advertising such as print, radio, and television to nontraditional advertising such as point of sale materials at retail outlets, bars, and restaurants (Nicholls, 2012). The amount of money spent on alcohol POS advertising continues to increase. Over \$1.25 billion was spent on POS advertising at restaurants and bars within the United States in 2008, of which \$1.06 billion was alcohol related. These funds represented 32% of the reported ad dollars spent by alcoholic beverage producers and accounted for branded items such as display racks,

table tents, coasters, napkins, neon signs, branded furniture, lighting, mirrors, product-tasting events, and branded specialty gift items such as glassware and bottle openers (U.S. Federal Trade Commission, 2008).

POS advertising has several advantages for the seller over other types of alcohol marketing. First, in the United States there is minimal federal or state government regulations to decrease alcohol marketing at the point of sale (Center on Alcohol Marketing and Youth, 2003), and local control is usually limited by the states (U.S. Deptment HHS, 1995). The only federal requirements related to alcoholic beverage advertisement is that the ad does not promote drunk driving, make health claims, and that the advertisement is distributed to an audience of which a minimum of 70% of the people are of legal drinking age (U.S. Federal Trade Commission, 2008). Second, exposure to POS advertising is less subject to individual control due to the fact that the consumer cannot “switch the channel.” Designed to target consumers, POS advertising draws consumers’ attention to the product and reminds them of previous advertising messages or introduces them to new messages. Third, multiple advertising messages may be used to simultaneously attract customers. Three-dimensional displays along with promotional items that can be handled, carried, or worn outcompete one-dimensional advertisements typically seen in newspapers, magazines, and on billboards (U.S. Department HHS, 1995). Fourth, POS advertising has been used increasingly to target audiences such as college students (U.S. Federal Trade Commission, 2008) and ethnic groups. Compared to other marketing avenues such as television, it is easier to deliver relevant messages to these groups, since POS advertising such as displays and signs can vary from establishment to establishment. By changing the signage at each establishment marketers are able to target individual campuses and ethnic groups in their own neighborhoods (Alaniz & Wilkes, 1998).

Research related to the effectiveness of POS marketing materials has been studied extensively with tobacco, food, and alcohol, providing evidence that POS activities were effective techniques used to increase sales and consumption (Woodside, 1999; Thorogood, Simera, Dowler, Summerbell, & Brunner, 2007). However, past research tends to focus solely on how POS advertisement methods attract vulnerable populations to harmful products, rather than how POS advertising can be used to improve sales and profitability within an establishment that caters to legal drinking age customers.

Being that nearly 75% of purchasing decisions are made at the point of sell (Aster, 2005) it is important for retailers within the bar industry to understand and focus on Generation Y, which is the group poised to be the predominant on-premise consumers for at least the next two decades (Govinda, 2004).

Generation Y

Generation Y is a large segment of the United States population believed to number about 65 million (U.S. Census Bureau, 2012). Various known as the Echo Boom, Millennials, the Baby Busters, or Generation Next, this group is best described as confident, self-reliant, ambitious, keen to face challenges, and generally tolerant of others, thus positively welcoming diversity (Martin & Tulgan, 2001). Generation Y grew up in an age where diversity was taught in school, and one third of the generation is non-Caucasian. As a result, members of Generation Y are attracted to and expect to see advertisements that incorporate a wide spectrum of ethnicities, and equal use of both genders (Thatch & Olsen, 2005). Also, Generation Y enjoys stimulation in all aspects of their life, and are very focused on the sensory, valuing it for fun and entertainment (Sheahan, 2005). This is a group that is comfortable with new and ever-changing

technology, having been raised in the midst of the information revolution (Noble, Haytko, & Phillips, 2009).

Generation Y currently spends around \$153-\$155 billion a year (Bush, Martin, & Bush, 2004). These consumers have significant spending influence on their parents and younger siblings (Glass, 2007). Choosing to ignore this cohort could be perilous for companies considering that Generation Y is the future and will dominate the market when it matures (Neuborne & Kerwin, 1999)

Some research has examined marketing to Generation Y, but the fact that they live in a rapidly changing world, and are very accepting of it means that marketers have a substantial opportunity to identify new products and experiences they will enjoy. It has been suggested that value, rather than low price, is important to them (Noble et al., 2009) and a concentration on promoting this idea has been suggested as a key for marketing managers (Thach & Olsen, 2005). The use and consumption to define who they are and to distinguish themselves from their parents has been proposed as an important trait, and brands seem to be very important for their identity and comfort (Noble et al.).

While the concept of “generational marketing” suggests that each generation is distinguished by certain generational values that drive their consumption behavior (Walker, 2003), the contrasting life-cycle marketing concept (Wells & Gubar, 1966) states that younger consumers adapt their behavior as they grow older. Accordingly, younger consumers are likely to purchase and consume products differently than older consumers independent to their generational cohort. One reason it is believed that Generation Y’s purchase and consumption differs from previous generations is because this generation is Internet proficient and technologically savvy (Nowak, Thach, & Olsen, 2006). Their different media usage has

implications about product communication in general and food and beverage specifically (Nowak & Newton, 2008). Due to their efficient information usage, Generation Y is recognized as media and market savvy consumers (Fernandez-Cruz, 2003).

Beverland and Ewing (2005) found that portions of Generation Y oppose marketing and are distrustful of it. Generation Y does not like being coerced into purchasing products and are cynical towards marketing clutter. A majority of Generation Y prefers getting their product information from credible sources such as members of their social groups and family members. Other researchers argue that Generation Y as a whole is anti-marketing because they have been marketed to and targeted by advertising more than other generations (Sebor, 2006; Morton, 2001). Generation Y consumers do not like being surrounded by advertising and marketing tricks, and they prefer marketers who understand that they are knowledgeable and apt consumers who know what they want (Lippe, 2001). Bakewell and Mitchell (2003) found that because of this market saturation, about 17% of Generation Y consumers push back against marketing by being uninterested in shopping. The implications of this are that because firms cannot apply traditional marketing methods, they should work harder to appeal to or capture these consumers in innovative ways. This break from tradition seems to be important for marketing to this segment (Lazarevic & Petrovic-Lazarevic, 2007).

Knowing the depth of Generation Y's pockets, as well as the influence they hold on the spending on those around them it is in the best interest of bar owners and operators to develop marketing methods to increase their share of wallet within this group. Successfully marketing to Generation Y may not only increase spending habits of members, but might also lead to members introducing fellow Generation Y members to the given bar.

Marketing Alcoholic Beverages in Bars to Generation Y

Within the next 10 years Generation Y consumers, those currently aged 21-34, will make up 40% of Americans 21 and older, and are in position to be the predominant on-premise consumers for at least the next two decades (Govinda, 2004). Given that this generation will comprise a large portion of the alcohol consuming demographic, it is important to understand how and what marketing methods they respond to when patronizing bars, and understand how they differ from other cohorts that patronize bars.

It is estimated that 68% of Generation Y consume alcohol with 50% preferring beer, 36% preferring distilled spirits, and 10% wine. The rest of the population drinks all three. This group also represents some of the most frequent imbibers, with 13% having a drink once a week, and 43% at least once a month. However, this is also the generation that grew up in the “just say no” era, so they are aware of the need to use alcohol responsibly (Katsigris & Thomas, 2007).

Age proves to be a significant driver in frequency of consuming alcoholic beverages at bars. The likelihood not to order an alcoholic beverage from bars increases with age, as older consumers are less likely to visit bars. Generation Y (those aged 21-34) demonstrate the strongest frequency of use. In particular, 67% of Generation Y report purchasing alcoholic beverages in a bar within the last year (Intel, 2012). More importantly, members of Generation Y are changing the conventional attitude about what on-premise establishments are and the role the establishments play in a social setting. Generation Y has a different view of what they are supposed to accomplish from going to bars. Generation Y generally perceives patronizing bars as a social and hedonic experience, rather than the utilitarian purpose/perception of getting inebriated that many previous generations shared during their youth (Brager & Greco, 2011).

The shifting attitude of what bar patronization should entail, as well as Generation Y's untraditional receptiveness of advertising is causing beverage producers and distributors to reevaluate what strategies they employ when marketing their products. The chart below illustrates the variety of alcohol marketing methods and the percentage of funds each method uses.

Table 2.1: Promotional Alcohol Expenditures

2008 Alcohol Industry Allocations of Promotional Expenditures		
Category	% of Total Industry Expenditure	Amount Spent (in thousands)
Television	25.97%	\$825,915
Additional Point-of-Sale Advertising and Promotions	18.84%	\$599,105
Sponsorship of Sporting Events, Sport Teams, or Individual Athletes	10.95%	\$348,340
Promotional Allowances	7.49%	\$238,200
Specialty Item Distribution	7.02%	\$223,423
Retail Value-Added	5.99%	\$190,481
Outdoor	5.62%	\$178,795
Public Entertainment (Not Sports Related)	5.07%	\$161,301
Radio	5.01%	\$159,504
Magazine	4.36%	\$138,784
Supplier-Sponsored Internet Sites	1.08%	\$34,501
Newspaper	0.91%	\$28,815
Independent Internet Sites	0.77%	\$24,498
Transit	0.41%	\$13,109
Direct Mail	0.30%	\$9,464
Product Placements	0.11%	\$3,398
Other Digital	0.06%	\$1,797
Telemarketing	0.02%	\$684
Spring Break Promotions	0.02%	\$482
Total Reported	100%	\$3,180,596

(U.S. Federal Trade Commission, 2008)

Examination of table 2.1 shows that alcohol producers have an array of means they use to market their products. Each method has a unique purpose within an alcoholic beverage producers marketing strategy, and each method has an intended outcome. These intended outcomes range from increasing brand awareness and perception to increasing sales volume. All of these tactics play a key role in the marketing of alcoholic beverage, but expenditures to help others promote alcoholic beverages are some of the most important (Linhoff & Berry, 2012).

Alcoholic beverage producers rarely sell alcohol directly to consumers; instead, they sell to wholesalers, also referred to as distributors, who in turn sell to retailers. Retailers fall into two categories. They may serve alcohol for immediate use “on premise” or they can sell the product for use “off premise.” Point of sale advertising, specialty items, retail value-added, and promotional allowances are all tactics used by alcoholic beverage producers to help both types of retailers sell their products. However, bars are the only retail establishments where all four of these tactics can be used. Bars are the only venue because most states stipulate that any alcohol consumption within an “off premise” location is unlawful (Dignan, 2004).

It has been shown that new alcohol users tend to be young, and older users literally die off, stop their use of alcohol, or reduce alcohol consumption as they age. Thus, heavy consumption of alcohol occurs primarily among people under the age of 30. Therefore, to maintain demand of their products alcoholic beverage companies must cultivate new users or sales will decline. As a result alcoholic beverage producers must work diligently to attract new, young customers, while still maintaining demand from primary customers (Mazis, 1995). One concern raised by marketing researchers is that Generation Y is skeptical of advertising, and therefore is unlikely to be affected by tactics used to help retailers promote products. However, even if members of Generation Y have learned to be skeptical of advertising, it may still

ultimately influence their purchasing behavior. In some cases, marketing strategies (POS) used in bars may have a greater impact on behavior than traditional advertising because consumers' usual defenses may not be raised against these nontraditional forms of promotion (Lippe, 2001).

A recent study by Mintel Group Ltd. (2012) was conducted to identify what people take into consideration when asked, "How do you decide what alcoholic beverage to drink at a bar?" The results found that there were differences based on the age of the respondent. More specifically, members of Generation Y are more likely to rely on recommendations from the staff, choose something that's "on special," or rely on descriptions in the drink menu. On the other hand, individuals over the age of 45 are more likely to always drink the same thing, drink what they like, or pick a beverage depending on what season it is. However, the findings do not consider marketing tactics that help retailers promote alcohol. The only decision factors identified as marketing tactics in this study were "I choose something that is on special," and "Advertisements I have seen in magazines, TV, or online."

The Mintel (2012) study did indicate that on-premise POS marketing techniques could be used to influence members of Generation Y at bars since only 50% of beverage purchasing decisions are made by the patron ordering what they like. Furthermore, the study indicated that members of Generation Y are open to suggestions from bar employees and need guidance when purchasing alcoholic beverages in bars. Furthermore, the study indicated there are several additional factors in bars controlled by management that could be used to alter the beverage purchasing decisions of Generation Y. Menu descriptions, on premise beverage promotional programs focusing on day of the week and price, and food specials are all variables that can be adjusted to maximize profitability. Consequently, it would be in management's best interest to study these variables to meet customers' needs and maximize profits.

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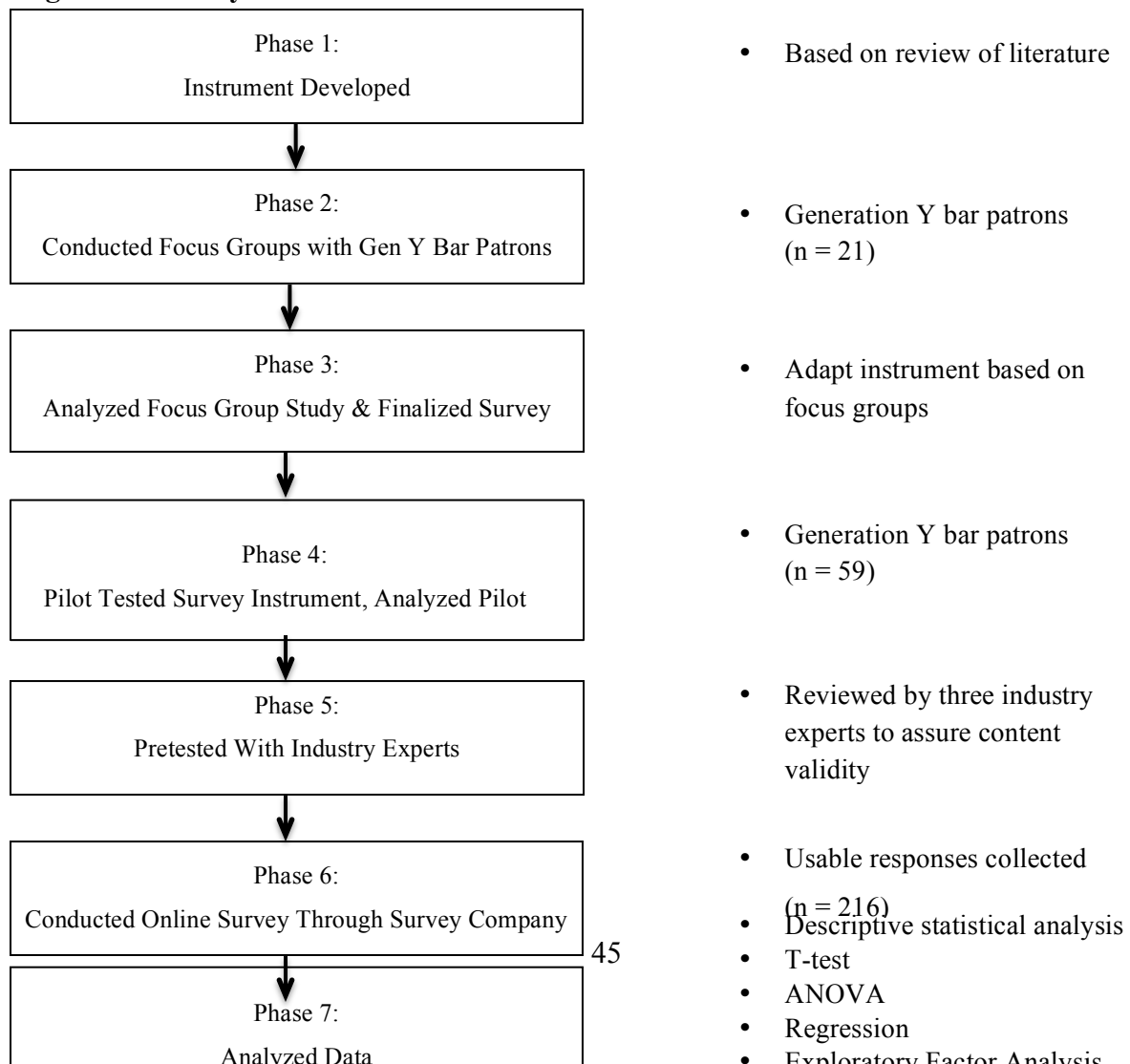
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Chapter 3 - Methodology

Introduction

This chapter describes the research design and data analysis procedures that were used in the study. The purpose of this study was to investigate what Generation Y demographics and components of on-premise POS marketing programs influence their purchasing behavior at bars. The research procedures for this study are outlined in figure 3.1. The flow chart includes the population and sampling frame, detailed steps included in the methodology, and concludes with the statistical analyses used in the study. The study will use a non-experimental cross sectional survey design.

Figure 3.1: Study Flow Chart



Population and Sample

The population for this study included members of Generation Y who have patronized a bar in the last two months. The sample was obtained from the database of a professional survey company - Zoomerang.com. Respondents whose profile indicated they were members of Generation Y were selected at random by the professional survey company. Upon initial contact, respondents indicated if they had patronized a bar at least once in the past two months. A total of 375 respondents started the survey, 300 respondents completed the survey, and 216 completed surveys were deemed usable. This yielded a response rate of 58%.

Instrument Development

To accurately measure the constructs developed in this research, a research instrument was developed. The survey instrument used in this study was based on prior market research conducted by Mintel Group Ltd. (2012), as well as suggestions made from industry experts and focus group members. The present study used a Survey Monkey questionnaire to examine what marketing streams members of Generation Y consider when deciding what alcoholic beverage they will purchase when patronizing a bar. Various POS marketing methods were analyzed by asking respondents to rate each method on a set of five-point Likert-type scales. These measures allowed the researcher to attempt to explain what persuades purchasing behaviors. The marketing methods investigated were signage within a bar, employee recommendation of a beverage, availability to sample product before purchasing, and promotional programs focusing on price. An elicitation study (focus groups) were used to identify attitudes and feelings related to the previously mentioned marketing methods as a basis for constructing a standard instrument. Additionally, the focus groups helped identify any marketing streams in bars that were

overlooked by Mintel Group Ltd. and the researcher. The instrument was designed to facilitate quantitatively measured responses in a simple online format.

Focus Groups

Three focus groups were conducted with an equal number of male and female Generation Y students from Kansas State University recruited from Kansas State University classes. The focus groups were based and conducted on guidelines suggested by Edmunds (1999). Participants responded to predetermined open-ended questions that asked about feelings and actions related to various means of POS marketing in bars. Specific questions are displayed in Table 3.1.

Table 3.1: Focus Group Interview Questions

- How often do you go to bars?
 - How do you decide what alcoholic beverage to purchase when you're at a bar?
 - What advertisements do you notice when you go to bars?
 - What types of advertising affects alcoholic beverage purchases when you are at a bar?
 - Can you describe point of sale advertising in bars?
 - How aware are you of point of sale advertising when you patronize bars?
 - How do point of sale methods make you feel when you see them in bars?
 - What form of point of sale marketing you notice most when you're at a bar?
 - When you notice point of sale articles/methods, how do they affect your opinion of that bar?
 - How does point of sale marketing in bars affect your purchasing decisions while at the bar?
 - How likely are you to return to a bar if it features point of sale marketing?
-

Focus Group Responses

Each of the focus groups involved members of Generation Y who had purchased an alcoholic beverage at a bar within the last two weeks. Every focus group reported similar answers. Table 3.2 documents some of the popular responses that appeared in each group session, along with response frequency.

Table 3.2: Focus Group Responses

Common Responses that Arose in All 3 Focus Groups	
Question and Answers	Frequency
How often do you go to bars?	
• At least once a week	14
• At least once a month	5
How do you decide what alcoholic beverage to purchase when you're at a bar?	
• It depends on if I'm eating or not	11
• It depends on if it's the weekend or school night	6
• It depends on how much money I have to spend for the night	6
What advertisements do you notice when you go to bars?	
• Neon signs	16
• Backlit signs	8
• Logoed glassware	5
What logos do you associate with in bar marketing materials?	
• Bacardi Bat	10
• Coors Rocky Mountains	7
• Budweiser Clydesdales	6
Can you describe point of sale advertising in bars?	
• No	21
How do point of sale methods make you feel when you see them in bars?	
• I don't feel unusual when I see it because they are in most bars	11
What form of point of sale marketing you notice most when you're at a bar?	
• Neon Signs	15
• Tap handles	12

Pilot Study

The initial research instrument, developed based on focus group responses and the review of literature, was pilot tested to determine understandability of questions, wording, and flow. The pilot study was then administered through SurveyMonkey.com via hospitality management listservs and social networking sites. A cash drawing for \$50 was used as an incentive to increase the response rate. A response of 59 usable responses was collected from the pilot test (Appendix A).

Final Questionnaire

Based on the results of the pilot study, final revisions to the instrument were made. Demographic questions pertaining to age, gender, disposable income, and geographic location were included. The demographic questions were used in hypothesis testing and to describe the sample. The final survey consisted of three sections. The first section provided informed consent and asked questions about the type of bar patronized, frequency of patronization, and alcoholic beverage preference. The second section asked questions pertaining to POS marketing materials. These questions were used to identify awareness, attitude toward and persuasiveness of POS marketing materials and used a five-point Likert type scale. The third section asked demographic questions (Appendix B).

Validity and Reliability

Validity was partially evident due to focus group questions coming from previous research. Additional content validity was obtained by having industry experts review the survey instrument before the distribution of the finalized survey. The experts chosen to review the

instrument were Austin DeForest, Michael Kallenberger, and Charles Contreras. Austin DeForest is an on-premise account representative for Glazers, which is an alcoholic distributor in 14 states. Michael Kallenberger formerly served as consumer intelligence manager and marketing analytics professional at the Miller Brewing Company. Currently, Mr. Kallenberger owns and operates Tropos Brand Consulting, which specializes in marketing alcoholic beverages to various generation segments. Charles Contreras serves as the On-premise Marketing Manager for MGM Resorts International. Steps taken to control threats to internal validity included using as much randomized question responses, collecting the data in a short period of time, and the fact that each participant was only surveyed once during the study. Additionally, the instrument used several Likert-type scales and Cronbach's alpha was used to determine the internal consistency of the instrument items. A Cronbach's alpha of $\geq .7$ resulted for each Likert-type sections. Specific α 's are located on each table in chapter 4.

Data Collection Procedures

The final online questionnaire was distributed by the private marketing research firm Zoomerang.com. A total of 375 respondents started the survey, 300 respondents completed the survey, and 216 completed surveys were deemed usable. This yielded a response rate of 58%. A total of 216 Generation Y bar patrons completed the survey in a usable manner, which was greater than the pre-determined minimum quota of 208. Participants were pre-screened to have been born between 1978 and 1991 to satisfy the Generation Y requirement and to ensure that they were bar patrons by indicating that they had consumed an alcoholic beverage in a bar within the last two months. The participants represented all socio-economic groups and were a cross-section of the population of Generation Y who patronize bars in the U.S.

Research Compliance

Kansas State University's Institutional Review Board for Research with Human Subjects reviewed this research, and permission was granted prior to any information being solicited from focus group attendees, pilot study respondents, or final questionnaire respondents.

Documentation of this approval is included in the appendix.

Data Analysis

Final data analysis utilized means, standard deviations, t-tests, ANOVA, linear regression, and exploratory factor analysis.

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Chapter 4 – An exploration of how Generation Y demographics and point of sale marketing methods affect Generation Y’s purchasing decisions in bars

Introduction

Alcoholic beverages and on premise alcoholic beverage retailers have become important to the food and beverage industry in the past three millennia (McGovern, 2010). On premise consumption of alcoholic beverages is necessary for income in bars which makes it crucial for alcoholic beverage producers and retailers to identify methods to increase sales and consumption of their products. One method used by retailers and producers is to market their product at the point of sale (POS). However, the effectiveness of various POS marketing methods can vary depending on the demographics of the consumer cohort being targeted. Therefore, it is important to employ empirical research to identify which POS marketing methods are most effective in increasing purchasing of alcoholic beverages.

Beer, wine, and distilled spirits are the three main categories of modern alcoholic beverages and according to the World Health Organization the adult (15+) per capita consumption rate for the world is at 4.3-4.6 liters, while the United States totaled 9.44 liters. Of that, 53% is consumed as beer, 31% as spirits, and 16% as wine. Currently, the United States is listed as stable for the estimated five-year adult alcohol consumption (World Health Organization, 2011). Even though the type and overall consumption of alcoholic beverages has remained constant, there have been considerable changes in the trends of alcoholic beverages consumed at bars (Cebzynski, 2008).

The beverage industry is a unique market, where competition is fierce and staying abreast of trends is one of the essential keys to success (Koepfer, 2008). While many beverage industry

analysts agree that the market for alcoholic beverages is a mature one, there is a consensus that new packaging, products, and trends can increase sales (Agriculture and Agri-Food Canada, 2010). Some of the newer methods of packaging alcoholic beverages include polyethylene terephthalate (PET) wine bottles (Matthews & Vale, 2009), distilled spirits on tap (Andrew Freeman & Co., 2011), and quality wine in a box with colorful and fun labels meant to appeal to younger consumers (O'Brien, Francis, & Osidacz, 2009). New alcoholic beverage products that have recently entered the market include beverages that contain caffeine such as energy drinks mixed with alcohol (Agriculture and Agri-Food Canada, 2010), fruit flavored beer (Howard, 2008), and barrel-aged alcoholic beverages (National Restaurant Association, 2011). Other trends that have emerged, and appear to be altering the consumption of alcoholic beverages include the expansion of cocktail lounges (Grimes, 2009), the return of beer gardens (Whiteman, 2011), and the growth of microbreweries (National Restaurant Association 2011). Again, because the alcoholic beverage industry is a competitive, fast paced and ever-changing business it is important for bar operators to stay up to date on these trends to successfully market the new aspects of the alcoholic beverage industry.

The marketing mix, or 4Ps of marketing, described by McCarthy (1975) are often used to explain variables that can be adjusted to best satisfy the consumers in a target market. In the alcoholic beverage industry, companies experiment with their marketing strategies regularly. By paying attention to promotion and product, specifically and how these two variables can be manipulated, bar managers and owners can create powerful marketing strategies that will benefit the entire bar and alcoholic beverage industry.

It is estimated that the alcoholic beverage industry spends more than \$3.1 billion annually to market its products, and is expected to increase these ad expenditures in future years (U.S.

Federal Trade Commission, 2008). In recent years, alcohol marketing has moved away from traditional forms of advertising such as print, radio, and television to nontraditional advertising such as POS materials at retail outlets, bars, and restaurants (Nicholls, 2012).

POS advertising is designed to target consumers at the place of purchase by drawing attention to the advertised brand or product. Typically, POS materials are placed alongside the product that is intended for sale, but it is not uncommon to find these materials in alternate forms in a retail establishment (Monaghan, Derevenshy, & Sklar, 2008). In this context, the new role for marketing is to create brand demand, not just brand awareness (Russell, 2008). It is estimated between 70% (Moore, 2005) and 75% of purchasing decisions are made at the POS, yet as little as 5% of advertising funds in the United States are spent on POS materials (Aster, 2005).

POS advertising has several advantages for the seller over other types of alcohol marketing. First, in the United States there is minimal federal or state government regulations to decrease alcohol marketing at the point of sale (Center on Alcohol Marketing and Youth, 2003), and local control is usually limited by the states (U.S. Department of Health and Human Services, 1995). The only federal requirements related to alcoholic beverage advertisement is that the ad does not promote drunk driving, make health claims, and the advertisement is distributed to an audience where a minimum of 70% are of legal drinking age (U.S. Federal Trade Commission, 2008). Second, exposure to POS advertising is less subject to individual control because the consumer cannot “switch the channel.” Designed to target consumers, POS advertising draws consumers’ attention to the product and reminds them of previous advertising messages or introduces them to new messages. Third, multiple advertising messages may be used to simultaneously attract customers. Three-dimensional displays along with promotional

items that can be handled, carried, or worn outdo one-dimensional advertisements typically seen in newspapers, magazines, and on billboards (U.S. Department HHS, 1995). Fourth, POS advertising has been used increasingly to target audiences such as college students (U.S. Federal Trade Commission, 2008) and ethnic groups. Compared to other marketing avenues such as television, it is easier to deliver relevant messages to these groups, since POS advertising such as displays and signs can vary from establishment to establishment. By changing the signage at each establishment marketers are able to target individuals and ethnic groups in their own neighborhoods (Alaniz & Wilkes, 1998).

Research related to the effectiveness of POS marketing materials has been studied extensively with tobacco and alcohol, providing evidence that POS activities were effective techniques used to increase sales and consumption (Woodside, 1999; Thorogood, Simera, Dowler, Summerbell, & Brunner, 2007). Because approximately 75% of purchasing decisions are made at the point of sell (Aster, 2005), it is important for retailers within the bar industry to understand and focus on Generation Y, which is the group poised to be the predominant on-premise consumers for the next two decades (Govinda, 2004).

Generation Y is a segment of the United States population born between 1978 and 1994 (Temple, 2007), and is believed to number about 65 million members (U.S. Census Bureau, 2012). Generation Y currently spends around \$153-\$155 billion a year (Bush, Martin, & Bush, 2004) on consumer goods and has significant spending influence on their parents and younger siblings (Glass, 2007). Some research has examined marketing to Generation Y, but the fact that they live in a rapidly changing world and are very accepting of change indicates that marketers have a substantial opportunity to identify new products and experiences Generation Y will enjoy and therefore, purchase. It has been suggested that value, rather than low price, is important to

this generation (Noble et al., 2009) and a concentration on promoting this idea has been suggested as key for marketing managers (Thach & Olsen, 2005). The use and consumption to define who they are and to distinguish themselves from their parents has been proposed as an important trait, and brands seem to be very important for their identity and comfort (Noble et al., 2009).

While the concept of “generational marketing” suggests that each generation is distinguished by certain generational values that drive their consumption behavior (Walker, 2003), the contrasting life-cycle marketing concept (Wells & Gubar, 1966) states that younger consumers adapt their behavior as they grow older. Accordingly, younger consumers are likely to purchase and consume products differently than older consumers independent of their generational cohort. One reason it is believed that Generation Y’s purchase and consumption differs from previous generations is that this generation is Internet proficient and technologically savvy (Nowak, Thach, & Olsen, 2006). Their different media usage has implications for product communication in general and food and beverage specifically (Nowak & Newton, 2008). Due to their efficient information usage, Generation Y is recognized as media and market savvy consumers (Fernandez-Cruz, 2003).

Beverland and Ewing (2005) found that portions of Generation Y oppose marketing and are distrustful of it. A majority of Generation Y prefers getting their product information from credible sources such as members of their social groups and family members. Other researchers argue that Generation Y as a whole is anti-marketing because they have been marketed to and targeted by advertising more than other generations (Sebor, 2006; Morton, 2001). Generation Y consumers do not like being surrounded by advertising and marketing tricks, and they prefer marketers who understand that they are knowledgeable and apt consumers who know what they

want (Lippe, 2001). This break from tradition seems to be important for marketing to this segment (Lazarevic & Petrovic-Lazarevic, 2007).

It is estimated that 68% of Generation Y members consume alcohol and represents some of the most frequent imbibers (Katsigris & Thomas, 2007). Age appears to be a significant driver in frequency of consuming alcoholic beverages at bars. The likelihood not to order an alcoholic beverage from bars increases with age, as older consumers are less likely to visit bars. Generation Y (those aged 21-34) demonstrate the greatest frequency of use. In particular, 67% of Generation Y report purchasing alcoholic beverages in a bar within the last year (Mintel, 2012).

It has been shown that new alcohol users tend to be young, and older users literally die off, stop their use of alcohol, or reduce alcohol consumption as they age. Thus, heavy consumption of alcohol occurs primarily among people under the age of 30. Therefore, to maintain demand of their products alcoholic beverage companies must cultivate new users or sales will decline. As a result alcoholic beverage producers must work diligently to attract new, young customers, while still maintaining demand from primary customers (Mazis, 1995). POS marketing strategies used in bars may have a greater impact on purchasing behavior than traditional advertising because consumers' usual defenses may not be raised against these nontraditional forms of promotion (Lippe, 2001).

A recent study by Mintel Group Ltd. (2012) identified what people take into consideration when asked, "How do you decide what alcoholic beverage to drink at a bar?" The results found that there were significant differences based on the age of the respondent. Members of Generation Y are were likely to rely on recommendations from the staff, choose something that's "on special," or rely on descriptions in the drink menu. On the other hand,

individuals over the age of 45 were more likely to always drink the same thing, drink what they like, or pick a beverage depending on what season it is. However, the findings do not consider marketing tactics that help retailers promote alcohol. The only decision factors identified as marketing tactics in this study were “I choose something that is on special,” and “Advertisements I have seen in magazines, TV, or online.”

The Mintel (2012) study did indicate that on-premise POS marketing techniques could be used to influence members of Generation Y at bars since only 50% of beverage purchasing decisions are made by the patron ordering what they like. Furthermore, the study indicated that members of Generation Y are open to suggestions from bar employees and need guidance when purchasing alcoholic beverages in bars. Also, results indicated there are several additional factors in bars controlled by management that could be used to alter the beverage purchasing decisions of Generation Y. Menu descriptions, on premise beverage promotional programs focusing on day of the week and price, and food specials are all variables that can be adjusted to maximize profitability. However, the Mintel (2012) study did not empirically study consumer demographics and how demographics statistically relate to acceptance of POS methods and consumer behavior. Consequently, it would be beneficial to the industry to study these variables in order to maximize profits.

Knowing the depth of Generation Y’s pockets, as well as the influence they hold on the spending on those around them it is in the best interest of bar owners and operators to develop marketing methods to increase their share of wallet within this group. Successfully marketing to Generation Y may not only increase spending habits of members, but might also lead to the introduction of fellow Generation Y members to a specific bar or alcoholic beverage. Given that this generation will comprise a large portion of the alcohol consuming demographic, it is

important to understand how and what marketing methods they respond to when patronizing bars. Therefore, the purpose of the present study is to determine what POS promotional programs work best with Generation Y and how demographics impact those programs.

Specific research questions were:

- Q1: What role do components of promotional programs play in persuading Generation Y's intent to purchase alcoholic beverages?
- Q2: Does type of bar play a role in the persuasiveness of POS materials and methods?
- Q3: Does a customer's gender play a role in the persuasiveness of POS materials and methods?
- Q4: Does a customer's frequency of bar visits play a role in the persuasiveness of POS materials and methods?
- Q5: Does a customer's ethnicity play a role in the persuasiveness of POS materials and methods?
- Q6: Does region of the country play a role in the persuasiveness of POS materials and methods?

Methodology

Sample

The target population for this study was those living in the United States between the ages of 21 and 34 years old who had purchased an alcoholic beverage at a bar within the past two months. This particular cohort was chosen for analysis due to their unique consumption behavior and view towards marketing methods. Also, this cohort's consumption of alcoholic beverages and ideas about drinking at bars differs from previous generations. A total of 375 respondents started the survey, 300 respondents completed the survey, and 216 completed surveys were deemed usable. This yielded a response rate of 58%. A total of 216 Generation Y bar patrons completed the survey in a usable manner, which was greater than the pre-determined

minimum quota of 208 indicated for the optimal power requirement calculated based on a margin of error of $\pm 5\%$ (Murphy & Myors, 2004).

Instrument Development

The process of instrument development began with a review of the literature and developing questions for focus groups. A total of three focus groups were conducted consisting of 21 total participants. Focus group members were asked about their decision making process when purchasing alcoholic beverages, their awareness and opinions of POS marketing materials in bars, and their views of bars that feature POS materials. As an incentive to participate in the focus group, participants were offered the chance to win a \$35.00 cash award from a drawing of names. Responses from the focus groups were similar to those of Mintel (2012) and along with the review of literature were used to develop the initial instrument. The Kansas State University Institutional Review Board approved the research protocol.

A pilot instrument was then created and the URL for the pilot survey was sent to the Kansas State University Hotel and Restaurant listserv, the University of Nevada Las Vegas Epicurean Club listserv, and Facebook. A \$50 cash drawing was offered to students who completed the survey to increase participation in the study. A total of 59 usable responses were collected during the pilot test. Preliminary statistics were calculated from the pilot study data, and additional beverage and POS methods were added to the instrument. After the pilot study, three professionals who are employed in the alcoholic beverage marketing industry and specialize in marketing reviewed the instrument. This review resulted in reorganizing the instrument, as well as making changes in how the possible responses were presented. This review also was used to obtain face validity.

The final survey consisted of three sections. The first section provided informed consent and asked questions about the types of bar patronized, frequency of patronization, and alcoholic beverage preference. The second section asked questions pertaining to POS marketing materials. These questions were used to identify awareness, attitude toward and persuasiveness of POS marketing materials and used a five point Likert type scale. Three questions asked about intent to purchase an alcoholic beverage based on POS materials. The responses were then computed to obtain a variable - intent to purchase (IP).

$$IP = (IP_1 + IP_2 + IP_3) / 3$$

The final section consisted of demographic questions about the respondent. The demographic questions asked were year born, gender, ethnicity, level of education, region of the country, size of their community, annual household income, and marital status.

Data Collection

After the instrument was reviewed by professionals and finalized, it was then distributed by Zoomerang.com to 216 Generation Y members across the country. Data was then downloaded into an excel file and transferred to SPSS version 20 for statistical analysis.

Statistical Analysis

Means, standard deviations, and frequencies were used to gather information about average bar visits, exposure to advertisements in bars, choice of alcoholic beverage, type of bar visited, variables that affect purchasing, POS variables participants noticed, POS variables that persuade participants purchases, and demographics. Two separate factor analysis were used for this study. The first factor analysis was used to identify POS component variables factor

loadings and to compute two new variables. Analysis of variance (ANOVA) or t-tests were used to determine if there were significant differences between the two POS components and types of bars, likeliness to purchase a type of alcoholic beverage, and demographic information. Second, factor loading from type of alcoholic beverage (beer, wine, spirits alone, spirit cocktails) was used for regression analysis to investigate intent to purchase a specific alcoholic beverage in a bar due to POS marketing.

Results

Demographic Results

A total of 216 individuals between the ages of 21 and 34 completed the survey. The majority of participants were female (50.5%), between the ages of 28 and 34 (68.1%), Caucasian (75%), had never been married (51.3%), and had at least an undergraduate college degree (62%). Refer to Table 4.1 for demographic results.

Patronization Activity

Table 4.2 provides results of the respondent's patronization of bars. A plurality of respondents, 40.3%, indicated that they frequent bars at least once a week. This finding affirms the research of Rowe (2012). Also, 60.2% of respondents indicated that they go to local bars versus 50% for sports bars, 31% lounge/cocktail, and 27% nightclub/dance club. The "other" category included western bars, college bars, airport bars, beach bars, wine bars, beer gardens, and topless bars. The median average spent per drink was \$6.59 and \$23.36 per visit. Of the respondents 77% indicated that they were exposed to advertisements in bars at least some of the time.

Table 4.1: Demographic Information of the Sample (N=216)

Characteristic	n	%^a
Sex		
Female	109	50.5
Male	107	49.5
Age		
21 – 27	69	31.9
28 – 34	147	68.1
Ethnicity		
White	162	75
Other	54	25
Education		
High School	30	15.3
Some College	52	24.1
Graduated College	79	36.6
Graduate School	55	25.5
Geographic Location		
Northeast	72	33.3
South	58	26.9
Midwest	45	20.8
West	41	19
Community Type		
Rural 1 – 2500	23	10.6
Urban Cluster 2501 – 50000	83	38.4
Urban Area 50001 – 350000	58	26.9
Metropolitan City + 350001	52	24.1
Annual Income		
\$1 - \$39999	81	37.5
\$40000 - \$79999	82	37.9
Over \$80000	53	24.5
Marital Status		
Single / Never Been Married	111	51.3
Married / Other	105	48.6

^a Numbers may not total 100% due to rounding error

Table 4.2: Generation Y Bar Patronization Activity (N=216)

	n	%^a	Mean	SD
Average Bar Visits	-	-	3.1	1.4
Weekly	87	40.3	-	-
Two or Three times a Month	74	34.3	-	-
Less Than Once a Month	55	25.5	-	-
Exposure to Advertisements in Bars	-	-	3.2	1.0
Never	9	4.2	-	-
Rarely	41	19	-	-
Sometimes	96	44.4	-	-
Very Often	49	22.7	-	-
Always	21	9.7	-	-
\$ Spent Per Drink	-	-	6.6	3.5
\$ Spent Per Outing	-	-	23.4	16.5
Type of Bar	n That Go	%^a		
Local	130	60.2	-	-
Sports	108	50	-	-
Lounge / Cocktail	67	31	-	-
Nightclub / Dance	57	26.4	-	-
Other	157	72.7	-	-

^aNumbers may not total 100% due to rounding error

Alcoholic Beverage Preferences

Table 4.3 shows how likely Generation Y was to purchase specific alcoholic beverages at bars. The most likely alcoholic beverage purchased by members of Generation Y was regular beer (3.6±1.4). Furthermore, four of the top five alcoholic beverages were beer. The only alcoholic beverage in the top five that was not some type of beer was a vodka cocktail (3.5±1.4). The least likely to be drunk were straight alcohol [vodka (2.5±1.4), rum (2.4±1.3), gin (2±1.3)],

brandy/cognac (2.3±1.4) and cognac/brandy drinks (2.4±1.4). These results are similar to those reported by Brager and Greco (2011), Katsigris and Thomas (2007), and Mintel (2012).

Table 4.3: Likelihood to Purchase Specific Alcoholic Beverages (N=216)

Alcoholic Beverage	Mean	SD	$\alpha = .927$
Regular Beer	3.6	1.4	
A vodka cocktail	3.5	1.2	
Imported Beer	3.4	1.3	
Light Beer	3.3	1.4	
Craft Beer	3.3	1.4	
A rum cocktail	3.3	1.3	
A tequila cocktail	2.0	1.4	
Liqueurs / Cordial cocktail	2.9	1.4	
Whiskey drunk straight	2.9	1.4	
White Wine	2.8	1.4	
Red Wine	2.8	1.4	
A whiskey cocktail	2.7	1.5	
Liqueurs / Cordials drunk straight	2.6	1.3	
Tequila drunk straight	2.6	1.4	
A gin cocktail	2.5	1.4	
Sparkling Wine / Champagne	2.5	1.3	
Vodka drunk straight	2.5	1.4	
Rum drunk straight	2.4	1.3	
A brandy / cognac cocktail	2.4	1.4	
Brandy / Cognac drunk straight	2.3	1.4	
Gin drunk straight	2.0	1.3	

^a A five point Likert-type scale was used for responses: 1=Not Likely, 5=Very Likely

Variables That Affect Alcohol Purchasing Decisions in Bars

Table 4.4 shows variables that affect alcoholic beverage purchasing decisions. Respondents identified that drinks on special and the cost of a beverage (3.5±1.0) affected their decisions most. In fact, four of the top five variables were related to impact on the pocketbook. The only variable in the top five that was not was “curious to try something new” (3.3±1.0). This supports Mintel’s (2012) finding that Generation Y is open to experimentation. On the other hand, something that can be shared with others (2.5±1.1), advertisements seen in the media

(2.4±1.1), and something that improves others perception of me (2.3±1.2) were the variables that least affected alcoholic beverage purchasing decisions.

POS Likelihood to Persuade Purchasing vs. Noticing

Table 4.5 indicates which POS methods Generation Y notices, and how the methods persuaded their purchasing intention. The results showed that noticing a given POS method does not necessarily persuade Generation Y's purchase intention. POS methods that appeared to hold the greatest power to persuade purchasing behavior were those that gave the customer assurance when they were making their purchase. The most persuasive assurance based marketing methods included samples [free samples (3.2±1.2), product tastings (3.2±1.3), trial serving (3.0±1.2)] and recommendations from individuals perceived as experts [recommendations from waiter/waitress (3.0±1.2) and recommendations from bartender (3.0±1.1)]. The least likely POS methods to persuade purchasing decisions were logoed furniture (2.4±1.2), logoed bar mats (2.4±1.2), and logoed mini-fridges behind the bar (2.4±1.2).

There were differences in ranking between noticing and being persuaded by a POS method. The most noticed POS marketing methods in bars included neon logoed signs (3.1±1.1), boards that display what's on special (3.0±1.1), and logoed glassware (3.0±1.2). Although these were the most noticed POS marketing methods, they were not the methods that were likely to persuade members of Generation Y to purchase a given alcoholic beverage.

Table 4.4: Variables That Affect Generation Y's Purchasing Decisions in Bars (N=216)

	Mean	SD	$\alpha = .933$
Affect Purchasing Decision			
Drinks on "special"	3.5	1.0	
Cost	3.5	1.0	
Value	3.4	1.0	
Curious to try something new	3.3	1.0	
Expense	3.2	1.1	
Recommendations from friends	3.3	1.0	
Wanting a change of pace or something different	3.1	1.0	
Descriptions in a drink menu	3.1	1.1	
Recommendations from a bartender	3.0	1.1	
Price, the cheapest drink	2.9	1.1	
Recommendations from a waiter/waitress	2.9	1.1	
Recommendations from family	2.8	1.1	
Drinks that won't get me drunk quickly	2.8	1.1	
Drinks that get me drunk quickly	2.7	1.2	
Drinking what everyone else is drinking	2.6	1.1	
Advertisements in the bar	2.6	1.1	
Something that can be shared with others	2.5	1.1	
Advertisements I have seen in the media	2.4	1.1	
Something that improves others perception of me	2.3	1.2	

© Mintel. A portion of this question was derived from Mintel (2012)

^a A five point Likert-type scale was used for responses: 1=Never, 5=Always

Table 4.5: POS Marketing Methods Most Likely to Persuade Patrons to Purchase Alcoholic Beverages vs. Patrons Noticing POS Marketing Methods (N=216)

Persuade $\alpha = .985$ Notice $\alpha = .971$	Persuade		Notice	
	Mean^a	SD	Mean^b	SD
Free Samples	3.2	1.2	2.5	1.3
Product Tasting	3.2	1.3	2.5	1.2
Trial Serving	3.0	1.2	2.4	1.2
Waiter/Waitress	3.0	1.2	2.7	1.1
Recommendations				
Bartender	3.0	1.1	2.8	1.1
Recommendations				
Menu Descriptions	3.0	1.2	2.9	1.1
Boards That Display	3.0	1.2	3.0	1.1
Whats "On Special"				
Promotional Models	2.6	1.3	2.5	1.2
Logoed Glassware	2.6	1.2	3.0	1.2
Table Tents	2.5	1.2	2.7	1.2
Logoed Coasters	2.5	1.2	3.0	1.2
Temporary Signs	2.5	1.2	2.7	1.1
Neon sign Logos	2.5	1.2	3.1	1.1
Bottle Glorifiers	2.5	1.2	2.5	1.1
Logoed LED Signs	2.5	1.2	2.8	1.2
Logoed Mirrors	2.4	1.2	2.8	1.1
Logoed Napkins	2.4	1.2	2.7	1.2
Back Lit Logoed	2.4	1.2	3.0	1.2
Signs				
Logoed floor mats	2.4	1.3	2.3	1.2
Logoed Furniture	2.4	1.2	2.4	1.2
Logoed Bar Mats	2.4	1.2	2.7	1.2
Logoed Mini-	2.4	1.2	2.4	1.2
Fridges Behind the				
Bar				

^a A five point Likert-type scale was used for responses: 1=Not Likely, 5=Very Likely

^b A five point Likert-type scale was used for responses: 1=Never, 5=Always

Factor Analysis

Alcoholic Beverage Factor

The alcoholic beverages in table 4.3 were analyzed using principal axis factor analysis with varimax rotation. This analysis resulted in the formation of four components. These

components were labeled beer, wine, spirits, and cocktails containing spirits. One variable was deleted due to low factor loading.

Regression was then used to compare the identified components with intent to purchase based on POS materials. Wine and spirits were the only two statistically significant comparisons which indicated that point of sale materials were only effective when purchasing wine and spirits for Generation Y.

Table 4.6: Wine, Beer, Spirit, Cocktail Regression Table with Intent to Purchase an Alcoholic Beverage Because of Point of Sale Marketing

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	81.7	4	20.4	28.6	.000
Residual	135.6	190	.7		
Total	217.3	194			

Model	Standardized Coefficients	t	Sig.	Collinearity Statistics	
	Beta			Tolerance	VIF
(Constant)		3.935	.000		
Spirits Alone	.487	6.020	.000	.503	1.988
Wine	.151	2.156	.032	.668	1.496
Beer	.019	.305	.761	.872	1.146
Spirit					
Cocktail	.036	.498	.619	.619	1.615

Table 4.7: Logoed Items and Assurance Based POS Marketing Component Matrix

Rotated Component Matrix		
	Component	
	Logoed Marketing $\alpha=.988$	Assurance Marketing $\alpha=.919$
Logoed Mini-Fridges Behind the Bar	.890	-
Logoed Bar Mats	.880	-
Logoed Floor Mats	.873	-
Logoed Furniture	.868	-
Logoed Napkins	.847	-
Logoed LED Signs	.846	-
Logoed Mirrors	.834	-
Back Lit Logoed Signs	.814	-
Bottle Glorafiers	.808	-
Logoed Coasters	.780	-
Logoed Glassware	.779	-
Neon Sign Logos	.777	-
Table Tents	.748	-
Temporary Signs	.743	-
Promotional Models (Coors Girls, Jamison Girls, etc.)	.654	-
Free Samples	-	.859
Product Tastings	-	.845
Trial Servings	-	.835
Boards That Display What's "On Special"	-	.723
Menu Descriptions	-	.720
Waiter / Waitress Recommendations	-	.713
Bartender Recommendations	-	.653

Persuasion Factor

Principal axis factor analysis with varimax rotation was conducted to explain what factors were used to persuade purchasing behavior in bars. These factors were then used to conduct t-tests and ANOVA among demographic variables. The two identified components were named “logoed materials” and “assurance marketing.” Four variables were deleted due to low factor

loading. Table 4.6 shows the variables and factor loadings. The assurance based marketing component consisted of seven factors and the logoed item component consisted of fifteen factors.

POS Persuasion and Demographics

To answer research questions, the persuasion component was recomputed into two new variables. The variables were named “logoed items” (LI) and “assurance marketing” (AM). In order to achieve this a mean of the factor loadings for each component was taken.

$$LI=(LI_1+LI_2+LI_3+LI_4+LI_5+LI_6+LI_7)/7$$

$$AM= \Sigma AM/15$$

The new variables were used to conduct t-tests or ANOVA for the demographic factors of type of bar patronized, gender, frequency of bar visits, ethnicity, and region of the country.

Of the demographic variables listed only local bars, gender, ethnicity, and frequency of visits showed statistically significant differences when compared to persuasiveness of assurance marketing and logoed items in bars. Logoed items for individuals who did not patronize local bars were significantly ($p=.005$) more persuasive than for those who did patronize local bars (2.7 ± 1.1) than those who did not (2.3 ± 1.1). Males found both logoed POS marketing items (2.7 ± 1.1) as well as assurance POS marketing methods ($2.8\pm .9$) to be statistically ($p=.001$) more persuasive compared to females for logoed items (2.2 ± 1.0) and for assurance marketing ($2.6\pm .9$).

Due to the skewed results of nationality, respondents were divided into either Caucasian or other category. A t-test showed that there was a significant ($p=.001$) difference between the two groups and non-Caucasians had a higher mean at (2.8 ± 1.1) than Caucasians (2.3 ± 1.1) for logoed items. An ANOVA was used to analyze persuasiveness of POS marketing with

respondents based on how often they go to bars. The results indicated significant differences ($p \leq .01$) of persuasiveness of logoed items and between those who go to bars on a weekly vs. all other patronization frequencies (2.2 ± 1) and (2.2 ± 1). There were no statistically significant differences found between older or younger members of Generation Y, level of education, marital status, size of community, or region of the country when compared with assurance based POS marketing and logoed items. Refer to Table 4.10.

Table 4.8: T-test and ANOVA results

	N	Assurance Marketing	Logoed Items
Ethnicity			
Caucasian	162	2.7±.09	2.3±1.1*
Non-Caucasian	154	2.9±1.1	2.8±1.1*
Gender			
Male	107	2.8±.9*	2.7±1.1*
Female	109	2.6±.9	2.2±1.0
Local Bar			
Go	130	2.7±.9	2.3±1.1
Don't Go	86	2.8±.9*	2.7±1.9
Patronization			
Weekly	87	3.1±0.9*	2.8±1.2*
Monthly	44	2.5±0.8	2.2±1.0
Less Than Monthly	85	2.5±0.8	2.2±0.9

^{x,y}Means with different superscripts differ significantly using the Tukey post hoc test ($p < 0.05$)

* $p < 0.05$

POS Persuasion and Intent to Purchase

The two new variables of logoed marketing and assurance marketing were used to run linear regression with intent to purchase variable. It was found that both logoed marketing and assurance marketing were statistically significant to persuade Generation Y's purchase intention. Refer to Table 4.11.

Table 4.9: Linear Regression of POS Methods and Persuade to Purchase an Alcoholic Beverage at a Bar Due to POS Methods

Variable	B	Std. Error	β	t	Sig
(Constant)	2.730	.050		54.208	.000
LI	.663	.050	.623	13.137	.000
AM	.386	.050	.363	7.645	.000

Discussion, Conclusions, and Recommendations

Discussion

The purpose of this study is to investigate what Generation Y demographics and components of on-premise POS marketing programs influence their purchasing behavior in bars. Due to the unique characteristics of Generation Y it appears that this cohort may be different in their alcoholic beverage consumption behavior. Also, it seems that Generation Y may prefer different marketing methods than other generations (Mintel, 2012).

Based on the current study’s responses, equal percentages of the sexes patronize bars. A large portion of the sample was Caucasian and was in the 28 to 34 age range. The majority of the sample had at least a college education and lived in a community with at least population 50,000 inhabitants. All regions of the United States were represented. On the other hand the sample did have an ample representation of different levels of income and education because most respondents had a college degree.

A plurality of Generation Y reported patronizing a bar at least once a week, and the majority of the cohort reported being exposed to POS marketing in bars at least some of the time they go to bars. This finding was similar to previous studies (Mintel, 2012; Rowe, 2012). The average price of a drink purchased by respondents was \$6.60 and they spent an average of

\$23.40 on alcoholic beverages per outing. Members of Generation Y patronize many different types of bars, and the majority of them report local and sports bars were the types they patronize most often.

The results indicated that respondents were most likely to purchase regular beer followed by imported beer, light beer, and craft beer. The only alcoholic beverage located in the top five was a cocktail made with vodka and a cocktail made with rum which was ranked at sixth. The least likely alcoholic beverages to be purchased by members of Generation Y were brandy cocktails and spirits consumed unmixed.

Those who answered this survey indicated that factors relating to value, cost, and opportunity were most likely to affect their purchasing decisions and that advertisements they had seen in the media, something that improves others perception of them, and something that can be shared with others were some of the least likely factors to affect their purchasing decision. Respondents reported noticing neon signs, logoed glassware, and logoed coasters most often, but that samples and expert recommendations were most likely to persuade the purchasing decision.

As for demographics, this study indicated there were differences between males and females and how they responded to POS marketing methods. Compared to females, males were more likely to be persuaded by both assurance based point of sale marketing and logoed items within the bar. There was no significant relationship found between females and their purchasing decisions being persuaded by either assurance based marketing or logoed POS marketing materials in bars. This finding could be based on the differences in decision-making processes and consumption behavior between the two sexes.

Also, there was a statistically significant difference between Caucasians and non-Caucasians. Caucasians did not report being persuaded by either assurance based marketing or

logoed items within the bar, however they did persuade non-Caucasians purchasing decisions. There were no statistically significant differences found between older or younger members of Generation Y, or region of the country when compared with assurance based POS marketing and logoed items within the bar.

While analyzing frequency of bar visits and type of bar visited significant relationships were found between individuals who go to bars on a weekly basis and POS marketing, as well as bar customers who don't report patronizing local bars. Results indicated that customers who patronize bars at least once a week were significantly different from all other bar patrons when it came to being persuaded by both assurance based marketing and logoed items because weekly bar patrons were more likely to be persuaded by assurance based marketing and logoed items within the bar.

Respondents reported patronizing all different types of bars, but most of them indicated going to local or sports bars. The only significant relationship that was identified concerning type of bar patronized was that individuals who did not patronize local bars. It was found that individuals who did not go to local bars purchasing decisions were more likely to be persuaded by logoed items displayed at bars.

Regression indicated that both logoed marketing and assurance marketing were statistically significant in persuading Generation Y's purchasing intention in bars. Even though the means in this study were small the results indicated that both forms of POS marketing do have the ability to persuade Generation Y's purchasing activity at bars.

Conclusions and Recommendations

Assurance based marketing methods such as samples, expert recommendations, and drink descriptions were the POS marketing methods reported to be most likely to persuade members of

Generation Y's alcoholic beverage purchasing decision. However, based on how often members of Generation Y notice these methods were not everyday occurrences at bars. Conversely, items that were rated to be noticed most often were not reported to be particularly persuasive. This lack of persuasiveness may be due to the fact that the most noticed POS marketing methods have become a staple of bar décor and fail to excite customers and persuade them to purchase the product being marketed. Furthermore, the persuasiveness assurance based POS methods may be caused by the notion that customers believe that they are receiving information of higher value from these methods, rather than logoed items that may be in place simply to raise awareness.

The majority of Generation Y reported patronizing a bar at least once a week. This is a positive indicator for individuals in the position to benefit from revenue generated at bars. Bar operators should pay particular attention to what affects Generation Y's purchasing decisions, what types of POS marketing methods persuade Generation Y's purchasing decisions, and what type of beverages Generation Y is likely to purchase. Taking these three variables into consideration could greatly aid the effectiveness of marketing strategies at bars Generation Y members patronize.

As stated above, respondents in this study were more likely to purchase any type of beer, vodka cocktail, or rum cocktail and reported that value, cost, and opportunity to experiment are likely to affect their purchasing decision. However, members of Generation Y indicated that assurance based POS marketing methods were most likely to persuade their purchasing decisions. Therefore, it would be a sensible decision to utilize these three factors in a manner to increase sales at bars heavily patronized by members of Generation Y.

Managers and marketers in the alcoholic beverage industry could also look to demographics when implementing on premise POS marketing methods. Gender, ethnicity, and

frequency were all shown to be statistically significant variables that indicated what POS methods would persuade purchases. It was found that males were significantly more likely to purchase a product if it is being marketed via assurance based marketing or logoed items. Logoed POS items within bars significantly persuade non-Caucasians when compared to Caucasians, and individuals who patronize bars once a week was significantly persuaded by both assurance based marketing and logoed POS methods when compared to all other bar patrons. Knowing these factors bars with high levels of male patrons may want to increase POS marketing in general, bars with high levels of POS methods should consider increasing the amount of logoed items in the bar.

Results from this study indicated that only wine and spirits were significant when compared with linear regression to intent to purchase an alcoholic beverage at a bar based on POS marketing. Therefore, it would be more useful to focus on marketing spirits and wine using POS marketing. Furthermore, because a large amount of Generation Y consumers report already drinking beer and wanting to experiment, marketing spirits and wine may be a convenient introduction to an opportunity to experiment with something they usually would not purchase.

Limitations of the Study

In interpreting the results of this study, certain limitations are acknowledged. First, although the results of this study can be considered generalizable due to the representativeness of the population geographically, the majority of the respondents were Caucasian, over 28, and well educated. Second, this study used a self-report questionnaire to obtain data. The self-report nature of this study may have caused respondents to bias data because they may have felt some sort of embarrassment for being persuaded by simple and obvious marketing tactics. Third, the instrument for the present study was tested with a sample that was limited to those who were

members of Zoomerang.com and had access to a computer. Additional research may be needed to focus on participants who are not members of a marketing research company in order to refute or support these findings. Finally, none of the POS variables had high means, and even though there was statistical significance the mean levels make it difficult to arrive at an indisputable interpretation of how/what POS marketing should be used in every bar.

Future Research

Recommendations for future research include conducting this study again to obtain more respondents so that individual demographics can be better analyzed. Also, this study would be more beneficial if it were conducted in a controlled setting. Conducting a similar research project in a controlled setting would exclude some of the bias that is generated because of the self report questionnaire.

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Chapter 5 – Summary and Conclusions

This final chapter includes the major findings of the study and evaluation of the objectives and research questions stated in Chapter 1. Practical implications for the on-premise alcoholic beverage industry are discussed along with study limitations and future research.

Summary of Study

Generation Y is a segment of the United States population with an estimated 65 million members. Generation Y can be described as having unique character traits that affect how they view the world around them and how they consume products. Members of Generation Y are more social than previous generations, and don't mind spending their disposable income on activities that allow them to interact with fellow members of their cohort. Members of Generation Y also report higher levels of alcohol consumption at bars than previous generations, but view a night out at the bars as a social experience rather than as an opportunity to become intoxicated, which previous generations have held. Also, Generation Y reports being open to experimentation and consuming different types of alcoholic beverages than previous generations. However, Generation Y reports not trusting marketing through traditional media streams.

Therefore, the purpose of this study was to investigate what Generation Y demographics and components of on-premise POS marketing programs influence their purchasing behavior at bars. A series of research questions served as a basis of the research.

A total of 216 members of Generation Y completed the survey. A vast majority (75%) of the respondents were Caucasian and over 60% reported having at least a bachelor's degree. Gender, region of the country, annual income, and marital status were nearly equally represented by the sample. However, 68% reported being 28 and 34 years of age.

Summary of Major Findings

Research question 1: What role do components of promotional programs play in persuading Generation Y's intent to purchase alcoholic beverages?

Results indicated that assurance marketing and logoed marketing significantly persuade Generation Y intent to purchase alcoholic beverages.

Research question 2: Does type of bar play a role in the persuasiveness of POS materials and methods?

Data collected during this study did not yield enough responses to examine the relationship between each type of bar and assurance based marketing and logoed POS marketing items in bar. The only significant relationship found is that individuals who did not go to local bars purchasing decisions were likely to be persuaded by logoed POS marketing methods.

Research question 3: Does a customer's gender play a role in the persuasiveness of POS materials and methods?

The results from this study indicated there was a difference between how males and females responded to POS marketing methods when making purchasing decisions at bars. Compared to females, males were more likely to be persuaded by both assurance based point of sale marketing, as well as logoed items. There was no significant relationship found between females and their purchasing decisions being persuaded by either assurance based marketing or logoed POS marketing materials.

Research question 4: Does a customer's frequency of bar visits play a role in the persuasiveness of POS materials and methods?

While analyzing frequency of bar visits significant relationships were found between individuals who go to bars on a weekly basis and POS marketing, as well as bar customers who don't report patronizing local bars. Results indicated that customers who patronize bars at least once a week were significantly different from all other bar patrons when being persuaded by both assurance based marketing and logoed items. Weekly bar patrons were more likely to be persuaded by assurance based marketing and logoed items within the bar.

Research question 5: Does a customer's ethnicity play a role in the persuasiveness of POS materials and methods?

Results indicated there was a difference between Caucasians and non-Caucasians. Caucasians did not report being persuaded by either assurance based marketing or logoed items within the bar. However, statistical analysis showed that logoed items significantly persuaded non-Caucasians purchasing decisions.

Research question 6: Does region of the country play a role in the persuasiveness of POS materials and methods?

No significant relationship was found between respondents' region of the country and likeliness to be persuaded to purchase a marketed alcoholic beverage at a bar due to either assurance based POS marketing or logoed items within a bar.

Study Limitations

In interpreting the results of this study, certain limitations are acknowledged. First, although the results of this study can be considered generalizable due to the representativeness of the population geographically, the majority of the respondents were Caucasian, over 28, and well educated. Second, this study used a self-report questionnaire to obtain data. The self-report

nature of this study may have caused respondents to be biased because they may have felt some embarrassment for being persuaded by simple and obvious marketing tactics. Third, the sample for this study was limited to those who were members of Zoomerang.com and had access to a computer. Additional research may be needed to focus on participants who were not members of a marketing research company in order to refute or support these findings. Finally, none of the POS variables had high means, and even though there was statistical significance the mean levels make it difficult to arrive at an indisputable interpretation of how/what POS marketing should be used in every bar.

Future Research

Recommendations for future research are listed below.

1. Conduct the same study again in order to obtain a larger and more diverse sample.
2. Conduct a similar study in a controlled setting.
3. Investigate the return on investment of various POS methods.

Conclusions

The results from this study show that members of Generation Y do patronize bars regularly. While patronizing bars the majority of respondents were exposed to POS marketing at least some of the time, however based on the low means reported in this study none of the methods seem to be particularly persuasive in the eyes of Generation Y members. The point of sale marketing methods most persuasive with respondents of this study were those that related to assuring the bar patron that they were selecting a beverage that they were going to be happy with. Respondents indicated that POS items that most affected their purchasing decisions

pertained to value, cost, and the ability to try something new. This finding supports previous research that indicated members of Generation Y are open to experimentation (Mintel. 2012)

Statistical analysis was used to determine if there was a significant relationship between intentions to purchase a specific type of alcoholic beverages due to point of sale materials in the bar. A significant relationship was found for both wine and spirits. This may be because spirit and wine consumption lag in sales behind beer for most Generation Y members. Therefore, bar owners could implement point of sale marketing methods while allowing members of Generation Y to experiment with a new alcoholic beverage they are not accustomed to drinking.

Results indicated that males were significantly more persuaded by all point of sale marketing material in bars than females, non-Caucasians were persuaded more by logoed point of sale items than Caucasians, and bar patrons who went to the bar at least once a week were more likely to be persuaded by point of sale marketing methods than all other bar patrons. However, although statistical analysis did find significant relationships, overall mean scores were so low that indisputable inferences can not be made. Nevertheless, data obtained through this study can still be of help to professionals in the alcoholic beverage industry.

In order for professionals in the bar business to maximize sales they must be astutely aware of the customer base. Once a bar operator has an adequate understanding of who their customer is and how much they are able to spend, the manager can implement a marketing plan that projects a sense of value. While creating a sense of value, the operator can then offer more unique beer and wine selections, along with vodka and rum cocktails. The operator may then want to use promotional boards to market their new unique choices within the bar. Also, excellent staff training along with menus that describe the beverages could go a long way in improving sales in bars that Generation Y members patronize. While there is no foolproof point

of sale marketing methods for bars, industry professionals have a better chance of increasing sales if they stay aware of what their customer responds to and what trends are popular throughout the industry.

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Mintel Group Ltd. (2012). *Table listing for on-premise alcohol consumption trends - us - April 2012*. Retrieved from http://academic.mintel.com/sinatra/oxygen_academic/my_reports/display/id=590317&anchor=atom/displaytables/id=590317

Appendix A - Pilot Test Survey

***1.**

The purpose of this survey is to identify which point of sale marketing items affect Generation Y's purchasing decisions in bars. This is a brief survey, and the resulting data will assist members of the beverage industry with their Generation Y marketing methods. This is a fun topic, but I would appreciate honest and sincere responses when answering this survey. A \$50 cash drawing will be conducted for respondents who complete the survey. Your participation is completely voluntary, and you may withdraw from the survey at any time. At no time will names be associated with the information gathered; only group information will be reported.

Any questions or concerns about this project should be directed to William Hastings at wrh@ksu.edu or Elizabeth Barrett at ebb@k-state.edu. This project has been reviewed by the Human Subjects Protection Review Committee, which ensures that research projects involving human subjects follow federal regulations. Any questions or concerns about rights as a research subject should be directed to Rick Scheidt, Chair, Committee on Research Involving Human Subjects, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506, (785) 532-3224.

- Sure, I'll take the survey
- No, I will not take the survey

***2. Are you between 21 and 35 years old?**

Yes

No

3. Have you purchased an alcoholic beverage at a bar within the last two months?

Yes

No

For the purpose of this survey consider a bar to an establishment whose revenues are predominantly generated by alcoholic beverage sales, and not from food. For example, Chili's or Applebee's would NOT be considered a bar.

***4. On average how often do you go to bars?**

- More than once a week
- Once a week
- Two or three times a month
- Once a month
- Less than once a month

***5. What type of bar do you usually patronize?**

- Country / western bar
- Gay bar
- Local bar (sports bar, pub, tavern, ect.)
- Lounge / cocktail bar
- Nightclub / dance bar
- Strip / topless bar
- Wine bar
- Pool / beach bar
- Airport bar

Other (please specify)

***6. How likely are you to go to the following bars?**

	Very unlikely	Somewhat unlikely	Undecided	Somewhat likely	Very likely
Country / western bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gay bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local bar (sports bar, neighborhood bar, pub / tavern, ect.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lounge / cocktail bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nightclub / dance bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strip / topless bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wine bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pool / beach bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Airport bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***7. How likely are you to purchase beverages including these types of alcohol when you go to bars?**

	Very unlikely	Somewhat unlikely	Neutral	Somewhat likely	Very likely
White wine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Red wine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sparkling wine / champagne	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regular beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Light beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vodka	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tequila	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Whiskey (bourbon, scotch, blended, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liqueurs / Cordials (flavored shots, Jagermeister, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brandy / Cognac	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottled sweet alcoholic beverages (such as Mike's Hard Lemonade, Smirnoff Ice, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***8. How much do you typically spend per drink when you go to bars? (excluding tax)**

***9. How much do you typically spend on alcoholic beverages for yourself during a night or day of drinking at the bar / bars?**

*** 10. How often do the following affect your alcoholic beverage purchasing decisions in bars?**

	Never	Rarely	Sometimes	Very often	Always
Nothing, I order what I like	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nothing, I have 2-3 drinks that I usually switch between	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nothing, I always drink the same thing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks on "special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from a bartender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks that won't get me drunk quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Something that can be shared with others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Descriptions in a drink menu	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from a waiter/waitress	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinking what everyone else is drinking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks that get me drunk quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements I have seen in the media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements in the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price, the cheapest drink	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expense	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*** 11. How often do you notice beverage advertisements in bars?**

- Never
 Rarely
 Sometimes
 Very often
 Always

*** 12. How often are you exposed to the following when you go to bars?**

	Never	Rarely	Sometimes	Very often	Always
Temporary signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Table tents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed coasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed napkins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neon sign logos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back lit logoed signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mirrors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotional models (Coors Girls, Jamison girls, ect.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product tasting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free samples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (\$0-\$10 value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (greater than \$10 in value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bartender recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waiter/waitress recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Menu descriptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed tap handles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottle glorifiers (lighted coasters which illuminate bottles behind the bar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed LED signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed floor mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed metal signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed glassware	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mini-fridges behind the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed boards that display whats "on special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand specific chilled shot machines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tray serving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** 13. How likely are the following to persuade bar purchasing decisions? (Logoed means the item displays a logo. A logo is a symbol or other small design adopted by an organization to identify its products.)**

	Not likely	Somewhat unlikely	Neutral	Somewhat likely	Very likely
Temporary signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Table tents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed coasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed napkins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neon sign logos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back lit logoed signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mirrors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotional models (Coors Girls, Jamison girls, ect.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product tasting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free samples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (\$0-\$10 value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (greater than \$10 in value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bartender recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waiter/waitress recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Menu descriptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed tap handles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottle glorifiers (lighted coasters which illuminate bottles behind the bar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed LED signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed floor mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed metal signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed glassware	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mini-fridges behind the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed boards that display whats "on special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand specific chilled shot machines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trial serving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

*** 14. I plan to purchase a given alcoholic beverage at a bar due to advertisements in the bar in the near future.**

Strongly Disagree Disagree Neutral Agree Strongly Agree

*** 15. I am expecting to purchase a given alcoholic beverage because of advertisements in the bar before too long.**

Strongly Disagree Disagree Neutral Agree Strongly Agree

*** 16. I am sure that I will purchase a given alcoholic beverage due to advertisements in the bar sometime soon.**

Strongly disagree Disagree Neutral Agree Strongly Agree

*** 17. I am likely to return to a bar if it has beverage marketing materials.**

Strongly disagree Disagree Neutral Agree Strongly agree

***18. What year were you born?**

***19. What is your gender?**

- Male
 Female

***20. What is your ethnicity?**

- White / Caucasian
 Hispanic / Latino
 Black / African American
 Asian
 Native Hawaiian / Pacific Islander
 American Indian / Alaskan Native
 Other (please specify)

***21. What is your highest level of education completed?**

- Some high school
 Graduated from high school
 Some college
 Graduated from college
 Some graduate school
 Completed graduate school

***22. What is the community where you live?**

- Rural - (Under 2,500 residents)
 Urban Cluster - (2,501 - 50,000 residents)
 Urbanized Area - (50,001 - 350,000 residents)
 Metropolitan City - (Over 350,000 residents)

Appendix B - Final Survey Instrument

***1.**

The purpose of this survey is to identify which point of sale marketing items affect customers purchasing decisions in bars. This is a brief survey and the resulting data will assist members of the beverage industry with their marketing methods. This is a fun topic, but I would appreciate honest and sincere responses when answering. Your participation is completely voluntary, and you may withdraw from the survey at any time. At no time will names be associated with the information gathered; only group information will be reported.

Any questions or concerns about this project should be directed to William Hastings at wrh@ksu.edu or Elizabeth Barrett at ebb@k-state.edu. This project has been reviewed by the Human Subjects Protection Review Committee at Kansas State University, which ensures that research projects involving human subjects follow federal regulations. Any questions or concerns about rights as a research subject should be directed to Rick Scheidt, Chair, Committee on Research Involving Human Subjects, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506, (785) 532-3224.

Sure, I'll take the survey

No, I will not take the survey

For the purpose of this survey consider a bar as an establishment whose revenues are predominantly generated by alcoholic beverage sales, and not from food. For example, Chili's or Applebee's would NOT be considered a bar.

***2. I am at least 21 years old and no older than 34 years of age, live in the United States, and have purchased an alcoholic beverage in a bar (see definition above) within the last two months.**

True

False

For the purpose of this survey consider a bar as an establishment whose revenues are predominantly generated by alcoholic beverage sales, and not from food. For example, Chili's or Applebee's would NOT be considered a bar.

***3. On average how often do you go to bars? (see definition above)**

- More than once a week
- Once a week
- Two or three times a month
- Once a month
- Less than once a month

***4. What type of bar do you usually patronize?**

- Country / western bar
- Gay bar
- Sports bar
- Local bar (pub, tavern)
- Lounge / cocktail bar
- Nightclub / dance bar
- Strip / topless bar
- Beer garden
- Wine bar
- Pool / beach bar
- Airport bar
- College bar

Other (please specify)

***5. Select the top 5 bars you patronize and rank. Use 1 to rank most often/most likely to visit and 5 as least often/least likely to visit. You may leave columns blank if you patronize fewer than 5 of the options.**

	1	2	3	4	5
Country / western bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gay bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sports bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local bar (pub, tavern)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lounge / cocktail bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nightclub / dance bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strip / topless bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beer garden	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wine bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pool / beach bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Airport bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
College bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***6. How likely are you to purchase these beverages when you go to bars?**

	Very unlikely	Somewhat unlikely	Neutral	Somewhat likely	Very likely
White wine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Red wine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sparkling wine / champagne	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regular beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Light beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Craft beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Imported beer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vodka drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with vodka	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rum drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with rum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tequila drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with tequila	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gin drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with gin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brandy / Cognac drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with Brandy / Cognac	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with whiskey (Bourbon, Scotch, Blended, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Whiskey (Bourbon, Scotch, Blended, etc.) drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liqueurs / Cordials (Jagermeister, Baileys Irish Cream, etc.) drunk straight or as a shot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A mixed drink made with Liqueurs / Cordials (Jagermeister, Baileys Irish Cream, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottled sweet alcoholic beverages (such as Mike's Hard Lemonade, Smirnoff Ice, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***7. How much do you typically spend per drink when you go to bars? Please enter a whole dollar amount without dollar sign. (For \$10.00 enter 10)**

***8. How much do you typically spend on alcoholic beverages for yourself during a night or day of drinking at the bar / bars? Please enter a whole dollar amount. (For \$10.00 enter 10)**

***9. How often do the following affect your alcoholic beverage purchasing decisions in bars?**

	Never	Rarely	Sometimes	Very often	Always
Recommendations from friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks on "special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from a bartender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wanting a change of pace or something different	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Curious to try something new	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks that won't get me drunk quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Something that can be shared with others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Descriptions in a drink menu	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from a waiter/waitress	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinking what everyone else is drinking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drinks that get me drunk quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements I have seen in the media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements in the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price, the cheapest drink	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Something that improves others perception of me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expense	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

***10. How often are you exposed to beverage advertisements in bars? (Think of an advertisement as a notice or announcement that promotes a product.)**

Never Rarely Sometimes Very often Always

*** 11. How often do you notice the following when you go to bars? Logoed means the item displays a logo. A logo is a symbol or other small design adopted by an organization to identify its products. (An example would be the Bacardi bat.)**

	Never	Rarely	Sometimes	Very often	Always
Temporary signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Table tents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed coasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed napkins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neon sign logos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back lit logoed signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mirrors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotional models (Coors Girls, Jamison girls, ect.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product tasting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free samples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (\$0-\$10 value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (greater than \$10 in value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bartender recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waiter/waitress recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Menu descriptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed tap handles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottle glorifiers (lighted coasters which illuminate bottles behind the bar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed LED signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed floor mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed metal signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed glassware	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mini-fridges behind the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed boards that display whats "on special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand specific chilled shot machines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tray serving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** 12. How likely are the following to persuade bar purchasing decisions? Logoed means the item displays a logo. A logo is a symbol or other small design adopted by an organization to identify its products. (An example would be the Bacardi bat.)**

	Not likely	Somewhat unlikely	Neutral	Somewhat likely	Very likely
Temporary signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Table tents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed coasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed napkins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neon sign logos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back lit logoed signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mirrors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotional models (Coors Girls, Jamison girls, ect.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product tasting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free samples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (\$0-\$10 in value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed giveaway items (greater than \$10 in value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bartender recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waiter/waitress recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Menu descriptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed tap handles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottle glorifiers (lighted coasters which illuminate bottles behind the bar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed LED signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed floor mats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed metal signs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed glassware	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed bar tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed mini-fridges behind the bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logoed boards that display whats "on special"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand specific chilled shot machines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trial serving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements on smartphone applications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Advertisements via
Facebook pages

Advertisements via twitter

Other (please specify)

*** 13. I plan to purchase a given alcoholic beverage at a bar due to advertisements in the bar in the near future.**

Strongly Disagree Disagree Neutral Agree Strongly Agree

*** 14. I am expecting to purchase a given alcoholic beverage because of advertisements in the bar before too long.**

Strongly Disagree Disagree Neutral Agree Strongly Agree

*** 15. I am sure that I will purchase a given alcoholic beverage due to advertisements in the bar sometime soon.**

Strongly disagree Disagree Neutral Agree Strongly Agree

*** 16. I am likely to return to a bar if it has beverage marketing materials.**

Strongly disagree Disagree Neutral Agree Strongly agree

***17. What year were you born?**

***18. What is your gender?**

- Male
- Female

***19. What is your ethnicity?**

- White / Caucasian
- Mexican, Mexican-American, Chicano, Puerto Rican, Cuban, Cuban-American, or some other Spanish, Hispanic, or Latino group
- Black / African American
- Asian
- Native Hawaiian / Pacific Islander
- American Indian / Alaskan Native
- Other (please specify)

***20. What is your highest level of education?**

- Some high school
- Graduated from high school
- Some college
- Graduated from college
- Some graduate school
- Completed graduate school

***21. What region of the United States do you live in?**

- West
- Midwest
- Northeast
- South

***22. What is the size of the community where you live?**

- Rural - (Under 2,500 residents)
- Urban Cluster - (2,501 - 50,000 residents)
- Urbanized Area - (50,001 - 350,000 residents)
- Metropolitan City - (Over 350,000 residents)

***23. What is your approximate annual income? (Please include all income you earn yourself, plus any income earned by your spouse or domestic partner.)**

- Under \$20,000
- \$20,000 - \$39,999
- \$40,000 - \$59,999
- \$60,000 - \$79,999
- \$80,000 +

***24. What is your marital status?**

- Single / never been married
- Married
- Separated
- Divorced
- Widowed

Appendix C - IRB Approval

TO: Elizabeth Barrett
HM&D
107 Justin Hall

Proposal Number: 6299

FROM: Rick Scheidt, Chair 
Committee on Research Involving Human Subjects

DATE: 07/25/2012

RE: Approval of Proposal Entitled, “ Determinants of generation Y's intent to purchase alcoholic beverages: Focusing on point of sale marketing methods in bars.”

The Committee on Research Involving Human Subjects has reviewed your proposal and has granted full approval. This proposal is **approved for one year from the date of this correspondence, pending “continuing review.”**

APPROVAL DATE: 07/25/2012

EXPIRATION DATE: 07/25/2013

Several months prior to the expiration date listed, the IRB will solicit information from you for federally mandated “**continuing review**” of the research. Based on the review, the IRB may approve the activity for another year. **If continuing IRB approval is not granted, or the IRB fails to perform the continuing review before the expiration date noted above, the project will expire and the activity involving human subjects must be terminated on that date. Consequently, it is critical that you are responsive to the IRB request for information for continuing review if you want your project to continue.**

In giving its approval, the Committee has determined that:

- There is no more than minimal risk to the subjects.
 There is greater than minimal risk to the subjects.

This approval applies only to the proposal currently on file as written. Any change or modification affecting human subjects must be approved by the IRB prior to implementation. All approved proposals are subject to continuing review at least annually, which may include the examination of records connected with the project. Announced post-approval monitoring may be performed during the course of this approval period by URCO staff. Injuries, unanticipated problems or adverse events involving risk to subjects or to others must be reported immediately to the Chair of the IRB and / or the URCO.